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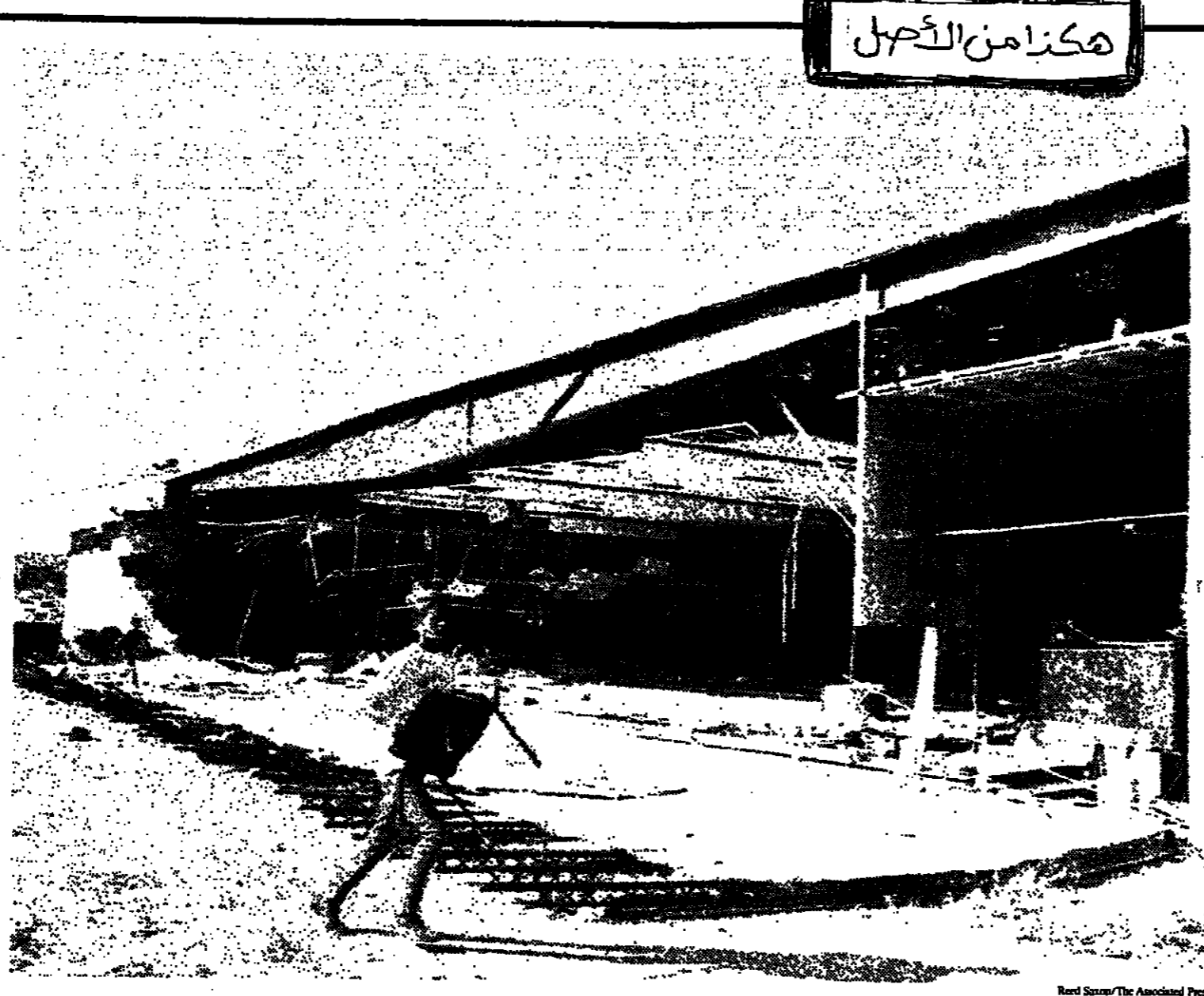
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ESTABLISHED 1887

2 Powerful Quakes Hit California Jolt Kills a Child And Injures 100

Compiled by Our Staff From Dispatches JOSHUA TREE, California — Two powerful earthquakes, one the strongest in the United States in 40 years, rolled across Southern California on Sunday. One person was killed and about 100 were injured, but most of the damage was in lightly populated desert areas. The first quake, which registered 7.4 on the Richter scale, meaning strong enough to cause major damage, was centered near Joshua Tree in a remote stretch of the Mojave Desert about 100 miles (160 kilometers) east of Los Angeles. It was felt as far away as Denver, about 750 miles to the northeast. The tremor, which struck at 4:58 A.M. and lasted about 30 seconds, buckled highways, collapsed buildings and touched off fires and power outages. A child in the desert town of Yuca Valley died when a chimney collapsed. Nearly all 100 mobile homes at a park near Joshua Tree were damaged, some severely. The second jolt, about three hours later, was near Big Bear Lake in the San Bernardino Mountains, about 20 miles west of the first one. It lasted about 45 seconds and measured 7 on the Richter scale. Unlike other quakes that violently jerked everything in their path, most witnesses said these ones had a steadier, almost liquid sort of feel. "It was terrible," said Jerry Grogg, a resident of Yuca Valley.



A man running with a chair past the collapsed front wall of the Yuca Valley bowling alley early Sunday. No one was inside when the earthquake hit.

Mitterrand Goes To Sarajevo, but 2 Relief Flights Are Blocked

By Blaine Harden Washington Post Service BELGRADE — President Francois Mitterrand of France paid a dramatic but inconclusive visit Sunday to the besieged Bosnian capital, Sarajevo, in an attempt to open the city's airport and begin the flow of humanitarian aid to hungry residents. The six-hour visit ended as the 75-year-old French leader hurriedly put on a flak jacket and waited out a 20-minute airport firefight between Serbian and Bosnian forces before he could board his helicopter for Split. Three Serbs were wounded in the fighting before Mr. Mitterrand could fly away. Fighting around the airport later forced the diversion of two French government flights to Sarajevo. The Air Force transports landed instead at Split. French Defense Ministry officials said the pilots were waiting for word on when it would be safe to land in Sarajevo. "We are going to send humanitarian aid to the people of Sarajevo, and if necessary it will be protected by force," Mr. Mitterrand said during a visit in which he strolled the streets of the shell-battered capital. (President George Bush spoke with several European leaders during the weekend, The Associated Press reported from Washington. Mr. Bush said the Europeans and others were now saying, "We ought to get together and do whatever is necessary to get humanitarian relief in there.") "The United States will do its part," he said. "We always have." [Asked about the possibility of sending in U.S. troops to enforce a cease-fire and open Sarajevo airport to relief flights, Mr. Bush said, "We're not saying what we will or won't do. But I've said every option is open."] Crowds of residents, some of them weeping, crowded outside the offices of President Alija Izetbegovic of Bosnia when the French president arrived in the city center. They chanted "Mitterrand, Bosnia, France." They shouted "Vive la France!" when Mr. Mitterrand stopped to lay a red rose near the spot where a Serbian mortar shell last month killed at least 14 people who were lining up to buy bread. Mr. Mitterrand's courageous visit. See TRIP, Page 6



Mr. Mitterrand under Bosnian guard as he strolled through Sarajevo on a surprise visit Sunday. To his right was Bernard Kouchner, his top humanitarian affairs aide.

Can EC Mend Its Differences? Lisbon Summit Failed to Provide the Glue

By Tom Redburn International Herald Tribune LISBON — In their first summit meeting since vowing to build a more united Europe, the leaders of the European Community showed just how difficult it is to overcome the divisions that continue to bedevil Western Europe. From the life-and-death challenge of responding to the war in what used to be Yugoslavia to the more mundane questions of aiding the poorer nations of the EC and accepting new members into the 12-nation Community, the political leaders at the two-day summit meeting that ended here Saturday found themselves sharply split. Unable to resolve fundamental differences, the heads of the EC now face a host of vexing problems. "It is clearly going to be a fairly tough and grueling marathon over the next six months," said Prime Minister John Major of Britain, which takes over the rotating EC presidency on Wednesday. Meanwhile, the leaders were unable to come up with any significant new proposals to resolve the dilemma posed by Denmark's narrow rejection earlier this month of the Maastricht treaty. In agreeing upon it only last December, they called for the development of a powerful new European economic and political union. As it stands, the agreement cannot be put into effect without either the approval of all 12 members or some yet-to-be-developed legal loophole isolating Denmark from the other nations of the Community. The EC heads kicked the matter back to the government in Copenhagen in hopes that Danish politicians will be able to persuade Danish voters to reverse their decision blocking the treaty. Yet not until the dark cloud that hangs over the treaty is lifted will the leaders find it possible to press forward with their plans to open the Community to new members. Their affluent neighbors from Austria, Sweden, Finland, and Switzerland are already knocking at the door. Norway may apply later this year. The leaders agreed here to begin membership talks with the nations of the European Free Trade Association that wish to join the EC. But negotiations would start only after the Community has solved its budget dispute and completed ratification in all 12 EC nations of the Maastricht blueprint for greater integration. Enlargement of the Community can occur only "in the framework of the European Union treaty," said

NEWS ANALYSIS Anibal Cavaco Silva, Portugal's prime minister and host to the summit meeting. "Negotiations cannot start without the Community solving its own problems," he said. Turkey, Cyprus and Malta were rebuffed on their hopes of joining the Community, while Poland, Czechoslovakia and Hungary were told that they should wait patiently until well after the EC has absorbed its richer neighbors. The EC leaders, appalled by the continuing death and destruction in the Balkans, declared that they wanted to see the Sarajevo airport reopened to deliver food and other humanitarian assistance to the besieged inhabitants of the Bosnian capital. They said the use of the force by the United Nations should not be ruled out. But a tougher draft statement favored by the Italians and the French suggesting that the Community might act on its own was toned down at the insistence of Britain and others, who emphasized leaving the initiative up to the United Nations. "Italy fought for the final document to have more See EC, Page 12

Bush in the Gulf War Fallout

By Elaine Sciolino and Michael Wines New York Times Service WASHINGTON — President George Bush may have reached the pinnacle of his political career on March 7, 1991, when he addressed a joint session of Congress and basked in a three-minute standing ovation from lawmakers who waved small American flags. Bush's Record Third in a series and charmed his name in admiration of his handling of the Gulf War. He had skillfully forged an international diplomatic and military coalition that had driven the Iraqi Army from Kuwait. His approval rating had soared to nearly 90 percent in several polls, and even the Democratic House speaker, Representative Thomas S. Foley, introduced Mr. Bush that night with "our warmest congratulations on the brilliant victory of the Desert Storm Operation." So it is not surprising that Mr. Bush's friends call him frustrated, even angry, that as the afterglow of the war fades, Democrats in Congress are trying to transform what was once regarded as his greatest triumph as president into one of his most significant political liabilities. Genuine concerns about the policy failure before the invasion are mingled with election year politics; Democrats in Congress are asserting that the administration's policy of supporting Iraq before the war was not only misguided, but criminal, and even some of Mr. Bush's staunchest backers wonder why Saddam Hussein is still in power. The stark but measurable question behind the politics is this: Could Mr. Bush have avoided the war if he had moved to restrain rather than reward the Iraqi leader earlier? He and his aides say no. But no other foreign policy issue is likely to so dog Mr. Bush through the campaign. Mr. Bush and his aides were urged to rethink Gulf policy from the moment they took office. Shortly after Mr. Bush won the presidency in November 1988, a State Department strategist drafted a paper for the president-elect urging that the United States take a fresh approach to the region. The Reagan White House steadfastly believed that

Kiosk Macedonia Attacks EC Decision

SKOPJE, Macedonia (Reuters) — President Kiro Gligorov of Macedonia assailed the European Community on Sunday for deciding to recognize his republic only if it changed its name. Mr. Gligorov said the EC had bowed to the wishes of a "privileged" member, a reference to Greece. The EC foreign ministers, meeting in Lisbon, agreed Saturday that the former Yugoslav republic should be recognized. But they accepted Greece's argument that the name Macedonia implied a territorial claim on its northern province, which has the same name. Macedonia fulfilled all the normal conditions for recognition, but it could not invent a new name, Mr. Gligorov said. "The acceptance of the Lisbon declaration hurts the basic rights, feelings and dignity of a small and peaceful nation," he said. General News Beijing's reformers are gaining in their drive to create a market economy in China. Page 5. Bill Clinton spelled out his priorities, if and when. Page 3. Italy's coalition faces old problems and new doubts. Page 6. Business/Finance U.S. steelmakers plan to seek billions of dollars in tariffs on imports. Page 7. Japan's governing party proposed an economy-boosting package. Page 9. Crossword Page 3. Weather Page 2.

Deadly Rivalry Blights South Africa

By David B. Ottaway Washington Post Service JOHANNESBURG — The rivalry between South Africa's two main black political factions, sharpened since the country's most deadly township massacre, threatens not only to ignite a civil war but also to undermine prospects for building a multiparty democracy to replace white minority rule. Chief Mangosuthu Buthezi, leader of the Inkatha Freedom Party, has condemned his archrivals in the African National Congress for their withdrawal from talks on a new constitution. After the ANC withdrew Tuesday, blaming the government and Inkatha for igniting a new round of attacks this month, Chief Buthezi said the pullout would bring "a tragic loss of life in what could emerge as a civil war." The rivalry seemed to be behind the event that has thrust South Africa into its most serious political crisis since the country began a political reformation in February. The difference in national and international outrage over the Botopong and Crossroads massacres has not gone unremarked, particularly at Inkatha headquarters. Local commentators attribute it to the ANC's far better skills at public relations. Massacres of this scale by either side are rare. But killings are now an everyday event, despite a peace accord both sides signed last autumn. In Natal Province, increasingly See RIVALRY, Page 6

Libya Offers Tourists Adventure, Not Much Else

By Chris Hedges New York Times Service TRIPOLI — Fuzzi Ghnedi, the director of Libya's national tourist agency, sat in his empty office and tried to think of people who might want to take their holidays here. "Perhaps reformed alcoholics," he said hopefully. "You know, we don't allow alcohol. And then there are those who like adventure." Libya's nascent tourist industry, which in the best of times attracted only one or two thousand people a year, has suffered a body blow with the imposition of United Nations sanctions. The sanctions, imposed in April after Libya refused to turn over suspects in the bombing of a Pan American World Airways jet over Lockerbie, Scotland, in 1988 and a French plane over Africa in 1989, have halted flights in and out of the country. The State Department sharply restricts visits by Americans to Libya, which for years has been on the department's list of countries that sponsor terrorism. The U.S. Embassy is closed. "We go to the international tourist trade fairs in Europe," Mr. Ghnedi said, as his four assistants sat idly in front of their blank computer screens, "but we would need billions of dollars to counter the image we have abroad." Tourism has never been high on the list of priorities for the Libyan leader, Colonel Muammar Gadhafi. When he first took power in 1969, he nationalized hotels and restaurants, which led to a decline in service and food shortages. The mores and culture of the West come under frequent attack from government officials and in the state-controlled media. And when the sanctions were imposed, several Westerners working in the oil fields were temporarily unable to get exit visas. Because of the sanctions the Libyan airline, which still flies internally, has lost its maintenance contract with Air France and cannot buy spare parts. Flights are no longer insured. A group of German veterans from World War II recently canceled a trip to visit the war memorial at Tobruk. "It's not where you want to get sick in," a Western envoy said. "The hospitals are lousy, and there is no way you can be flown out for treatment." But Libyan officials, buoyed by the success Tunisia has had in bringing in Germans for defending Europe. With U.S. officials lobbying

U.S. Vexes Bonn on Eurocorps

By Marc Fisher Washington Post Service BONN — When the new German foreign minister, Klaus Kinkel, arrives in Washington on Monday for his first visit, he will bear an instinctively pro-American attitude, but tempered by exasperation over what the Germans see as the Bush administration's mistrust of a loyal ally. Senior German officials say they continue to feel intense U.S. pressure to back off from plans for a European army corps and to make unspecified but apparently unending displays of their commitment to the North Atlantic Treaty Organization as the supreme mechanism for defending Europe. With U.S. officials lobbying smaller European countries to stay out of the developing German-French Eurocorps, Foreign Ministry officials in Bonn say they are being frustrated in their effort to do exactly what the Bush administration has always said it wants Europe to do: take on more responsibility for its own defense. "The U.S. knows what they don't want," said an official close to Mr. Kinkel. "They don't know what they do want. America is worried about being left out, and we understand that. But their reaction should be less emotional and more trusting of Germany. After 40 years of close cooperation, they owe us more trust." U.S. officials confirm that they have put unusually tough diplomatic pressure on the Germans — including a blunt warning from Mr. Kinkel from Secretary of State James A. Baker 3d that the Americans would pull out of Europe entirely if they determined they were unwanted. U.S. officials argue that their efforts are bearing fruit, in the form of German assurances that the 35,000-man Eurocorps is to remain subsidiary to NATO command. Werner Hoyer, a member of parliament from Mr. Kinkel's Free Democratic Party, said the foreign minister must seek in Washington to undo damage that resulted because "the preparation for the Eurocorps was absolutely lousy." "In the last couple of weeks," See ALLY, Page 3

Clinton's Priorities: Japan, Help for Sarajevo and a Crowded Domestic Agenda

By Gwen Ifill
New York Times Service

LITTLE ROCK, Arkansas — In a discussion of the policies he would pursue as president, Governor Bill Clinton of Arkansas supported strong action to help the besieged citizens of Sarajevo, criticized White House inaction on aid to the former Soviet republics and said Japan should be treated as "our most important bilateral relationship now."

Throughout a 90-minute interview, Mr. Clinton sought to project himself as a more forceful leader than President George Bush in foreign affairs, which is

generally regarded as Mr. Bush's strong suit.

On domestic matters, Mr. Clinton, who was asked to paint a detailed picture of how he would govern, promised a 100-day legislative blitz intended to solve the problems he has accused Mr. Bush of ignoring.

Mr. Clinton said he would propose an economic package that would increase financing for education and job training and emphasize tax breaks for business investment, research and development.

He also said he would introduce health-care legislation to impose cost

controls on hospitals and other providers and require universal insurance coverage.

Mr. Clinton conceded that he faced a difficult campaign as he sought to recover from the wounds of the primary season.

But after a two-week stretch in which the spotlight of scrutiny turned to Ross Perot, Mr. Clinton suggested he now sensed an opening for the message he has been trying to deliver.

His fate, Mr. Clinton said, depended on his ability to overcome the fact that "people just feel there is nothing they

can do" about the country's problems.

"So all I can do about it is run, it tell them what I'm trying to do about it, and trying to engage their ears and their interest," he said.

Mr. Clinton outlined an election campaign designed to present him as a leader who would be more knowledgeable than Mr. Perot, his likely independent challenger, and more engaged than Mr. Bush.

In providing a critique of Mr. Bush's foreign policy, Mr. Clinton said he would, if necessary, use military force, in

concert with other nations, to bring humanitarian aid to the citizens of Bosnia-Herzegovina.

Mr. Bush "may have been a little slow on the uptake" in responding to the disintegration of Yugoslavia, Mr. Clinton said.

He also said the president had engaged in "foot dragging" on providing aid to the republics of the former Soviet Union and said Mr. Bush was wrong to link loan guarantees for Israel to freezing the building of Jewish settlements on the West Bank and the Gaza Strip.

Mr. Clinton said the White House had

Drifters, Father and Son, Meet 17 Years Later on The Currents of Chance

By Don Terry
New York Times Service

AURORA, Illinois — The chance reunion after 17 years of a troubled drifter and his troubled son at a mission for the homeless here is a 1990s fairy tale.

It involves drugs, domestic abuse, born-again faith, love, loss and maybe even a shot at renewal.

John Starr, 49, left his estranged wife and 7-year-old son here in 1975 and never looked back. Over the years his son has done some drifting of his own.

John Earl grew up in Wisconsin, was kicked out of high school, knocked around the West Coast, fathered a baby he has seen only in photographs, and got involved in drugs in Texas. Because he was afraid trouble would follow him to Illinois from Texas, John Earl refused to disclose the last name he has used for many years.

When Mr. Starr last saw his wife and child, Gerald Ford was president and disco was king. He headed to the East Coast and for years drifted from job to job. He said he never saw or spoke with his son or almost anyone else from his past.

"When he left, he changed his last name from McDaniel to Starr," "There was a lot I wanted to forget," he said.

In the mid-1980s, Mr. Starr drifted back to Illinois, looking in vain for steady work. A few months ago he broke and homeless, he walked into the Wayside Cross Rescue Mission in Aurora.

The last time John Earl had seen his father, he was 3. He was sitting in a car with his mother, and when his father walked up, John Earl stuck his head out of a window and asked, "Are you my daddy?"

Then his father was gone without a word. John Earl's mother got a divorce and remarried, and he said his stepfather started beating him almost at once. "He beat me every day of my life until they got divorced," he said.

"As a teenager, John Earl was hired and fired a half-dozen times from dead-end jobs. "I don't know why I can't hold down a job," he said. "For me, it's like pouring water into a paper bag."

So he took to the road. In Texas, he met a woman, got married and tried to settle down. But he fell into a life of drugs and decided to go back to Illinois. His wife was pregnant when he left her.

When he arrived in Aurora, John Earl called his mother, Kathleen Williams. She had not heard from her son in more than a year. He wanted to stay with her and her third husband, she said no.

"I believe in tough love," Mrs. Williams said. "John needs to learn to live on his own."



Lieutenant Paula Coughlin during an interview about allegations of sexual assault.

Navy Wants Names of Officers Who Attended Vegas Session

Compiled by Our Staff From Dispatches

WASHINGTON — The U.S. Navy has ordered all officers awaiting confirmation of their promotions to say whether they attended a convention in Las Vegas in September at which 26 women said they were sexually abused or harassed.

Vice Admiral Ronald J. Zlotner, naval personnel chief, said the Senate Armed Services Committee demanded the reports before it would confirm any promotions, according to a report Sunday in *The Virginian-Pilot* and *The Ledger-Star*.

The navy says it intends the message for all 4,500 navy and Marine officers awaiting promotions, the paper said.

Most of the officers are active-duty and reserve officers on a promotion list to commander and captain. The Senate panel has delayed the promotions since May 28 because it was displeased with the inquiry into misconduct at the convention, a private group of retired and active-duty naval aviators.

None of the promotions was scheduled to become effective until Oct. 1, but some reassignments have been affected.

Meanwhile, President George Bush, upset by reports of sexual

misconduct at the convention, summoned one victim, Lieutenant Paula Coughlin, to the White House and promised her a full investigation, a spokesman said.

Mr. Bush and his wife, Barbara, met briefly with the officer Friday evening, said a White House spokesman, Paul Clarke.

The meeting with Lieutenant Coughlin was "at the president's request," said Mr. Clarke. "They assured her there would be a complete investigation of the Tailhook incident."

Lieutenant Coughlin is the only one to have spoken out publicly among 26 women who say they were sexually abused by officers in a Las Vegas hotel hallway during the convention.

Also Friday, Mr. Bush accepted the resignation of the navy secretary, H. Lawrence Garrett 3d, who took responsibility for a "leadership failure" that allowed the Tailhook transgressions to occur.

Mr. Garrett, who attended the convention but said he saw no misconduct, had come under growing criticism from Congress for the navy's handling of the inquiry.

In accepting Mr. Garrett's resignation, Mr. Bush did not include a customary note of thanks. Some lawmakers suggested Friday night that Mr. Garrett had been forced to resign by Defense Secretary Dick Cheney.

A navy official said the decision to quit had been based on a growing fear that Mr. Garrett's involvement in the inquiry was becoming a "distraction to the department."

The resignation took effect immediately, elevating Undersecretary J. Daniel Howard, a former spokesman for both the White House and the Pentagon, to the position of acting secretary.

The Pentagon spokesman, Pete Williams, said no decision had been made on a permanent replacement, who would need Senate confirmation. But officials said that

Barbara S. Pope, assistant navy secretary for manpower and reserve affairs, and Sean O'Keefe, the Pentagon comptroller, were candidates, a spokesman said.

The behavior of officers at the Las Vegas convention has led to two far-reaching navy inquiries, the reassignment of an admiral, and a new training program for all navy personnel.

In a sign of the seriousness of the investigation, the Pentagon's inspector-general has ordered navy officials to suspend disciplinary proceedings against approximately 70 officers implicated in the affair, saying their superior officers may be suspects themselves.

"We don't know how high this thing goes," Derek J. Vander Schaeghe, acting Pentagon inspector-general, said. (UPI, AP, NYT)

Bush Daughter Is Wed, Media Are Shut Out

The Associated Press

WASHINGTON — President George Bush's daughter, Dorothy, has married Bobby Koch, a former Democratic congressional aide, in a private ceremony at Camp David, Maryland, the White House said.

The Saturday ceremony was attended by 130 people. Media coverage was forbidden.

Mr. Bush's daughter, 33, changed her name to Koch from LeBlond, the name of her former husband, William LeBlond. Mr. Koch, 32, is a former aide to the House Democratic leader, Richard A. Gephardt of Missouri.

Most of Mr. Bush's political associates were not invited. One exception was the White House chief of staff, Samuel K. Skinner, whose wife, Honey, is a friend of the bride's.

It was the first marriage for Mr. Koch, who left Mr. Gephardt's staff last week to head the Washington office of the Wine Institute.

AMERICAN TOPICS

How Many Americans Are Keeping Faith?

One of every four Americans has switched religious faiths or denominations at least once, according to the Princeton Religious Research Center, an affiliate of the Gallup Organization. Of those who switch, 81 percent end up in Protestant denominations and 9 percent in the Roman Catholic Church. Fewer than 1 percent become Eastern Orthodox Christians, Mormons or Jews.

The switching does not necessarily come from a deep spiritual quest. The reason most often cited for changing, at 24 percent, was marriage to a person of another faith or denomination. Fourteen percent said they were motivated by a positive religious feeling toward their new churches, and 7 percent by a negative feeling about their old churches. And 11 percent changed for convenience, as in a move to a new neighborhood.

About People

The Orange County, California, town of La Habra is debating whether to demolish Richard Nixon's first law office. In August 1939, the 26-year-old Mr. Nixon set up a branch office for the law firm in nearby Whittier that had hired him two years earlier. He ran a small advertisement in *The La Habra Star*: "Richard Nixon, Attorney at Law, 135 West Central. Phone Whittier 81-265." His office was a room at the rear of a real estate agency; his first client paid a \$3 fee in a collections case. In 1942 he left to join the U.S. Navy. A small plaque marks the building, which is now condemned as unsafe for occupancy. The town wants to demolish the building as an eyesore. Republican activists are seeking a reprieve.

Short Takes

Trying to get a jump on impending incidents of domestic violence, police and battered women's shelters around the country are starting to supply "panic buttons" to victims so help can be summoned with an electronic signal. The device can be worn as a pendant or carried in a pocket. With a press of the button, an electronic signal is sent to a transmitter hooked to the customer's telephone line. The signal is relayed to an alarm company, which notifies the police. "The first order of business," said a Cambridge, Massachusetts, police spokesman, is to get to the phone and dial emergency assistance. "But sometimes you can't get to the phone. The attacker is between you and the phone."

Arthur Higbee

ALLY: U.S. Pressure Over German-French Eurocorps Exasperates Bonn

(Continued from page 1)

Mr. Hoyer added, "surprisingly few diplomatic mistakes have been left out. We have not made it clear to our partners that this is an effort to strengthen the alliance, not weaken it."

Mr. Hoyer said Germany was continuing to send contradictory messages to its allies, saying it wants a low-key global role while appearing to be increasingly assertive.

Mr. Kinkel's top advisers say he believes that the aim of U.S. officials in pressing Bonn to back off from the Eurocorps and place it more squarely under NATO's authority is not to cap German power, but to force Germany to pressure the French into a more cooperative stance.

"The Americans see us as the weak point in the three-way relationship, so they push us," an official said. "And of course we do want them to stay in Europe far more than the French do. But the Baker people don't seem to realize that

our relations with the French are very sensitive and we are already pushing as hard as we are able to in that direction."

U.S. officials say their goal is to press Bonn to stand firm against what Washington fears is a French desire to use the Eurocorps to undermine NATO's status.

Mr. Kinkel will tell President George Bush and Mr. Baker that Germany has already made large sacrifices in seeking to ease the tension between Washington and Paris. Most markedly, it has agreed to hefty cuts in agricultural subsidies as part of the drive to reach a world trade agreement before the seven major industrialized nations hold their summit meeting in Munich on July 6.

But German officials say they are caught between two supposed allies whose relations have sunk to a postwar low.

"I don't know whom to believe anymore,"

- ACROSS**
- Montes, mistress of King Ludwig
 - Barely sufficient
 - Wooded glen
 - March 15
 - Kind of bear
 - Lamb's nom de plume
 - Samuel Johnson tome
 - Give, for a time
 - Eight-sided figure
 - Takes for granted
 - Charged electron
 - Assistant
 - Slightly burned
 - Sheets, pillowcases, etc.
 - Perennial comedian Bob
 - Famed Fla. golf course
 - Luminary
 - G.I.'s mailing address

- G.I.'s name for a Far East war
- Summer drink
- Noted British P.M.
- One on the way up
- dieu (knelling bench)
- Ram's horn in Jewish rituals
- Passed along
- Pitcher
- Mongrel
- Road-surface material
- Calif. observatory site
- The Tentmaker
- Word fund
- Classic auto
- Coral isle
- N.Y. canal
- The — the limit
- Hangman's loop
- Legendary septet

- Of Pindar's poems
- Instructive talk: Abror.
- Dancer Fred
- Smooched, old style
- Mass. neighbor
- In the style of Japan's first capital
- Ship's special canvas
- Mistlead
- Holmes adjective
- Queue
- Lasses' counterparts
- Composer Stravinsky
- Grievous fault
- Fellow
- Pueblo Indians
- Druggist
- Giver
- Debussy work
- Naughtam's Thompson
- L.A. football player
- Marsh plant
- In that direction
- Group of travelers
- Wire again
- Soft shoes, for short
- Buddies
- Stallion's mate
- Operatic song
- Bar orders
- Dove's sound

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PEON ENERGY NIN
ONLYUSWOMAN AVJ
LIS MER OATES
LET AWARDED BOTH
ONES PERU ALEE
STROLL AIRE YDS

PEARLBUCK
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Israel: No Miracles, but Hope

By Anthony Lewis

BOSTON — In a world of disappointed expectations, the Israeli election had a transforming quality. It was as if the people of Israel had decided to turn a page of history, a page filled with bitterness, and explore the possibility of hope.

are the biblical names for the West Bank, and Mr. Shamir meant that the territory would have so many Jewish settlements that there could be no Palestinian autonomy.

Israel set on such a suicidal course. There were corrupting echoes in America, too. Leaders of many large Jewish organizations insisted on support for the Shamir government even while they privately voiced concern.



Rabin the Strategist Starts With a Strong Hand

By Stephen S. Rosenfeld

WASHINGTON — Let Yitzhak Shamir's critics say this of the defeated Israeli statesman. He left his successor as prime minister, Yitzhak Rabin, a good hand. Mr. Rabin can start from the positions staked out by his predecessor.

I also recall his reaction upon hearing, on a later Washington visit, that President Sadat was going to Jerusalem. It is the opening for a separate Israeli-Egyptian peace that isolates Syria, he told us. That was Mr. Rabin the strategist: blunt, fast, eye on power, looking at the wide screen. Or part of it, anyway: the part that lies within reach now.

scrap) on the immediate diplomatic priority of Palestinian autonomy. As, then, negotiations move to the shape of a final West Bank settlement, he will apply the accepted international principle of an exchange of land for peace, perhaps working with Jordan.

A Global Police Force

WANTED: Small, highly mobile army, able to respond overnight to civil disorder. Must be able to enforce cease-fires, cope with natural disasters, facilitate relief, and deal impartially with all belligerents. Reply to United Nations, New York.

That in essence is the notice UN Secretary-General Boutros Boutros Ghali has posted in a remarkable report to the Security Council. He speaks for a world that, if it is to have peace, must also have peace officers.

The urgent need for an answer is demonstrated by the bombs and blood in Sarajevo. Saving lives by opening the airport is too hazardous for lightly-armed UN peacekeepers. But the world so far refuses to send in enough of them to stop the Serbian aggression. Bosnia, lacking oil, lacks the ability to compel the world to respond the way it did against Iraq.

Simply standing by as thousands are slaughtered is reprehensible. Unilateral intervention by bigger neighbors can only risk a wider war. Mr. Boutros Ghali now lays out the sensible alternative. He asks nations to make available a thousand troops each, ready on a day's notice, for peacekeeping operations authorized by the Security Council and supplied from UN depositories around the world.

In sum, a global police force. This is no radical blueprint. It springs straight from the UN Charter, Article 49.

All members of the UN, in order to contribute to the maintenance of international peace and security, undertake to make available to the Security Council, on its call and in accordance with a special agreement or agreements, armed forces, assistance and facilities, including rights of passage necessary for the purpose of maintaining international peace and security.

The original hopes for a multinational force and the promise of a Military Staff Committee were crushed by the Cold War. Mr. Boutros Ghali wants to breathe new life

into this language. Here is what he proposes:

• Begin by preventing war. The United Nations needs better early warning of threats to peace based on timely intelligence from members. It needs more formal and informal fact-finding. And quarreling nations, by agreeing to binding arbitration by the World Court, could resolve many disputes without force.

• Pay for the UN's work. Since 1945, a half-million peacekeepers have served in 26 operations; more than 800 soldiers from 43 countries have died. The unpaid peacekeeping bill totals \$800 million even as the UN copes with new tasks that will cost \$3 billion this year. The shortfall could be covered if members paid through their defense budgets. A tax on arms sales or international air travel could replenish a special peacekeeping fund.

• Form regional peacekeeping forces. The UN is now overstretched, and there is every reason for regional groups like NATO, the Organization of American States and the Arab League to share the burden by undertaking or underwriting peacekeeping in their own areas.

• Activate the Military Staff Committee. The chiefs of staff of all countries assigning troops to the Security Council are essentially members of this dormant committee. The Pentagon fears that using it would put U.S. forces under foreign command. But the Security Council, on which the United States has a veto, determines how forces are led, and the committee could be beneficially used to support rather than conduct operations.

By advancing these ideas, Mr. Boutros Ghali provides a coherent starting point for a permanent mechanism, transcending crisis-by-crisis response. He offers President George Bush and other heads of state a forthright example of the new leadership needed in this new era. Certainly the report calls out for something more than cursory quibbling from the State Department.

When innocent countries are violated, they need to be able to call the cops. For that to happen, there have to be cops to call.

—THE NEW YORK TIMES.

First, Save Sarajevo

The American government is edging closer to organizing and taking part in an international effort to break the siege of Sarajevo and deliver emergency supplies to an endangered civilian population. Closer, but not close enough. The televised spectacle of Serbian savagery and Bosnian misery has touched publics in the West and has overcome much of the official reluctance to get dragged into a Yugoslav "quagmire." But there is still confusion about the stakes and uncertainty about how to proceed.

But what about a quagmire? Even an intervention narrowly tailored to secure an airport and comfort civilians could be resisted by defiant Serbs. The U.S. military or any other intervening Western force would have to expect casualties. But there is prudence and good planning, and there is paralysis and no planning. Prudence must be the standard here. Sarajevo, after all, is not Beirut, where phantom forces struck. The chief aggressor in Sarajevo is Serbia, and it has a political address, Belgrade, and a military address, those guns in the hills. Besides the sanctions that are already in place and hurting, various military means are available to influence Serbia's calculation of the costs of defiance.

Just the hint that the United States was contemplating an emergency supply lift with European involvement and UN agreement seems to have quickened the Serbian pace on several fronts. Belgrade's men in Bosnia on Friday ordered a halt to artillery attacks on Sarajevo, while the Serbian popular opposition prepared a rally to demand Slobodan Milosevic's resignation. If the siege of the city is lifted, the agonizing political dilemmas remain. But the killing would stop, and that would be a blessing.

—THE WASHINGTON POST.

Europe Opens Its Skies

The European Community's decision to deregulate air travel is good news for European and American travelers alike. After taking hold in the United States in the 1970s, the idea has now spread to Europe. Ultimately, European and U.S. carriers may compete in each other's markets. Air France might fly between Chicago and Dallas. Delta between Frankfurt and Berlin.

Travelers will benefit on fares and service. But deregulation will not be a sure winner. For starters, European governments will face the unenviable choice of allowing the weakest national carriers to disappear or defying the new policy. The United States had an easier time as airlines disappeared. Its carriers are private.

That will not happen if strong European carriers challenge U.S. carriers in the United States. The decision to deregulate European air travel will hasten that day—and is worth celebrating on both sides of the Atlantic.

Indeed, U.S. policy may have been too permissive. Following deregulation, mergers and bankruptcies were allowed to wipe away all but a few carriers. So far, the survivors are battling on individual routes, keeping fares low. But if more carriers disappear, survivors might gain a stranglehold over consumers.

The outcome is likely to mirror U.S. experience. Small inefficient carriers will probably give way to large low-cost airlines.

—THE NEW YORK TIMES.

Other Comment

The Black Sea Pact

For the foreseeable future, the Black Sea group for economic cooperation formed by Russia and 10 nations of the Balkan region is likely to remain a mere letter of intent, considering the area's political and economic turmoil. But this joint effort is a welcome one because it encourages leaders of these neighboring countries to sit down together and talk about their common problems.

communications, information and ecology, investment and power. Azerbaijan and Armenia, after all, are close to war, and Romania, Russia and Ukraine have serious disagreements with newly independent Moldova about territorial and ethnic issues. The Moldovan crisis follows the erosion of the geopolitical results of World War I and its joint effort is a welcome one because it encourages leaders of these neighboring countries to sit down together and talk about their common problems.

Indeed, it was a miracle that leaders of Albania, Greece, Bulgaria, Romania, Moldova, Ukraine, Russia, Georgia, Azerbaijan, Armenia and Turkey were able to agree to create a Black Sea zone, with the intention of coordinating regional transportation.

—The Baltimore Sun.

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South Africa: Until the Police Are Stopped, I Can Only Despair

By Allister Sparks

BOIPATONG TOWNSHIP, South Africa — After the June 17 massacre here, one thing is certain. There will be no negotiated settlement in South Africa unless something is done to restore the credibility of the police as a peacekeeping force.

their personnel carriers around and re-entered the traumatized township.

Foreign Minister F. R. Botha is right when he says there is no alternative to negotiation. But what there is if negotiation fails is the appalling prospect of a slide into anarchy and ruin, of South Africa becoming another Lebanon or Yugoslavia. That prospect looms if President Frederic de Klerk continues to turn a blind eye to the fact that the credibility of the police is in a state of collapse.

The big armored vehicles drove slowly down the street just a few yards behind the retreating crowd, looking so aggressive and provocative that a newly arrived foreign correspondent beside me blurted out in astonishment: "What the hell do they think they're doing? Are they looking for trouble?"

I spent time here talking to survivors of the massacre, and I was in the midst of the mini-Sarajevo that followed Mr. de Klerk's visit to the township on June 20, when the police fired point-blank, without orders and without warning, into a crowd of about 3,000 people, and I can only say that I despaired for my country.

When the shooting stopped, the officer in charge leaped up and screamed at his men in Afrikaans: "Who told you to shoot? I told you not to shoot without orders."

I despaired because every man, woman and child I spoke to in Boipatong told me they believe that the police carried the attackers from a nearby migrant workers' hostel, housing supporters of Chief Mangosuthu Buthelezi's Inkatha Freedom Party, into their township and out again after the slaughter.

I despaired finally because when it was all over, the police did not come out to help the injured. It was left to the few journalists there and the back survivors to do that.

I despaired because I saw how inept the police are at handling the kind of volatile situation that arose after Mr. de Klerk's ill-considered visit. After the president had left and the crowd was beginning to simmer down and disperse, the police inexplicably turned

I watched a young woman photographer cradle a man's shattered head as he gurgled and died. My wife, who accompanied me on the assignment and had to run for her life with the stampeding mob, turned back to drag a man who had been hit in the spine to safety behind a parked car.

That will not happen if strong European carriers challenge U.S. carriers in the United States. The decision to deregulate European air travel will hasten that day—and is worth celebrating on both sides of the Atlantic.

But the police stayed next to their parked armored personnel carriers. All of this was inflicted on a community that had suffered one of the worst atrocities in South Africa's history four nights before, when more than 40 persons — including women and babies — were shot, hacked and speared to death in their beds. Mr. de Klerk's decision to visit the scene of that

—THE NEW YORK TIMES.

With Some Skillful Defusing, Major Can Do Much for Europe

By Brian Beedham

LONDON — At midnight Tuesday, John Major becomes the nearest thing to a leader the European Community possesses. Britain is the Community's president for the second half of 1992, which gives the British prime minister his chance to shape Europe's future. The EC summit meeting in Lisbon on Friday and Saturday made it clear that Mr. Major wants to use his half-year of European primacy to do some sensible things,

ed to make do with less money. The same applies to the British prime minister's second objective, which is to put more punch into "subsidiarity" — the clumsy word meaning that the EC should not try to do anything that its 12 member countries cannot do perfectly well for themselves.

For the same reason, the chance to make do with less money. The same applies to the British prime minister's second objective, which is to put more punch into "subsidiarity" — the clumsy word meaning that the EC should not try to do anything that its 12 member countries cannot do perfectly well for themselves.

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IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1892: A New Santa Maria

CADIZ — The reproduction of Columbus's flagship, the Santa Maria, on which he sailed on his first voyage of discovery, and which reproduction is intended for the Columbian World's Fair in Chicago, for which it has been constructed by the Spanish Government, was successfully launched here yesterday [June 27] in the presence of 10,000 spectators, who cheered loudly as the carved slid down the ways into the water.

1942: Massacre of Jews

LONDON — [From our New York edition:] More than 1,000,000 Jews in Axis-dominated European countries have been "systematically massacred," and those deaths "far exceed the casualties of any other race in any other war," British leaders said today [June 29]. Figures from sources which these leaders say are unimpeachable indicate that about 700,000 Jews have been killed in Poland and Lithuania, 125,000 in Rumania and 200,000 in White Russia and the Ukraine. The London leaders offered no comment, declaring that they simply wanted to "present the facts" to the world, but one of the spokesmen said pointedly, "What do you think will happen to the Jews in Palestine if the Germans are successful in the Middle East?"

1917: Agents Unmasked

HAPARANDA — Little by little, the men and women who betrayed the Russian people to the old Russian regime are being exposed. Within a few days a new list of provocateurs and spies who served the old Government will be published. The archives of the secret police contain numerous names of Russian journalists and secret agents in the pay of the Russian autocracy. But the most dramatic dis-

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—THE WASHINGTON POST.

Vertical text on the right edge of the page, including "Flying Low", "Gives Foreign", "Flav-Lik", "Palestina", and "VISA".

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Striding Toward Freer Market China Gives Foreign Firms New Elbow Room

By Nicholas D. Kristof
New York Times Service

BEDDING — Advocates of economic change appear to be gaining ground in the power struggles here, and a result is that China is aiming to step up its drive toward free markets.

Spurred by a new, still unpublished speech by Deng Xiaoping, the senior leader, Chinese officials are planning to allow foreign companies to play a greater role in the service industry. Officials are also stepping up plans to privatize housing, decontrol prices and even convert a large share of state industry into stockholders' companies.

And China's budget deficit hit a record 20.26 billion yuan (\$3.7 billion) in 1991, the government reported. (Page 12)

Economists are discussing new ideas with an openness and giddiness not seen since the hard-liners reasserted themselves in the crackdown on the democracy movement in June 1989.

delaying any bankruptcies or layoffs, but speeding up other kinds of restructuring.

The drive for more rapid change is orchestrated by Mr. Deng. Late last month he visited the Capital Steel Corp. and complained that the Communist Party had not adequately implemented his calls for faster growth and reform.

Chinese officials say that Mr. Deng bluntly criticized the Beijing party apparatus for refusing to al-

Earlier this year, Hainan opened up a stock exchange, calling it "internal" so that it would not have to win approval from Beijing. A deputy prime minister flew down from Beijing to order the exchange closed, but after he left it reopened and it continues to operate unofficially, without a sign.

Some of the plans — like using Hong Kong dollars as the official currency in Hainan — are unlikely to win approval from Beijing, and a Western economist said that many of the new ideas were more imaginative than sensible. But the ferment is in striking contrast to the torpor of the last few years.

Even now, China is in most respects more of a market economy than Russia. Most farmland in China is divided into quasi-private plots; in the former Soviet Union, most is still collectively farmed.

'The reformers haven't yet won the battle, but there's no doubt but that at this point we're winning.'

An economist helping to plan the transition

low the steel works to manage its own affairs and undertake new ventures.

"I don't understand economics," Mr. Deng reportedly growled during the two-hour visit. "But I know a good economy when I see it."

Mr. Deng's apparent meaning — that the important thing is to make people rich, not to worry about the ideological correctness of the methods used — has particularly caught on in the provinces. Local officials have seized upon his calls for change as an excuse to push for stock exchanges, special investment zones, horse-racing tracks, and other quasi-capitalist measures they have dreamed of for years.

In Hainan Province, for example, Governor Liu Jianfeng has told people he is considering making the entire province a duty-free zone in which the official currency would be Hong Kong dollars.

■ Party Eases Up on Film

In a sign that the Communist Party may be loosening its grip on culture, the government said that it had approved the domestic release of a Chinese film that was nominated for an Oscar earlier this year, *The New Year's Times* reported Sunday from Beijing.

The film, "Raise the Red Lantern," by China's most prominent director, Zhang Yimou, has received permission for distribution within the country and could be shown by early August, according to its production company.



Chinese commuters pedaling past a giant poster of Deng Xiaoping, the senior leader who is the major proponent of faster growth, in the special economic zone of Shenzhen in south China.

A Snag on Path to Capitalism Idled Russian Textile Plant Waits for Help

By Margaret Shapiro
Washington Post Service

IVANOVO, Russia — Six months after President Boris N. Yeltsin put Russia on the path to capitalism, this provincial factory town 400 kilometers east of Moscow offers discouraging evidence that Russians may be slow to embrace the risks and opportunities of the free market.

A gloomy, defeated atmosphere pervades the administration building of the massive Frolov textile combine, once the pride of the Soviet industrial establishment.

An imposing "Glory to Labor" sign still perches above the entryway. But purchases by the government have stopped and the factory is operating at only 12 percent of capacity. Whole shifts have been suspended. Managers have lost hope of receiving cotton promised from Uzbekistan.

government's determination to force huge plants like Frolov to accept the harsh realities that will sink many of them. They will also test whether Russians can adapt their attitudes or whether large-scale unemployment in a society that has not known it for generations will be greeted by social upheaval this winter that could threaten the reforms and topple the Yeltsin government.

Now, a mere 157,000 Russians are listed officially as out of work, a blip in a country of 150 million workers. But Yeltsin officials estimate that as many as 4 million will be jobless by the end of the year.

Others believe the number could be almost twice that. If so, that would provide everyone from nationalists of the right to old-line Communists the ammunition to turn Russia inward again, away from Western-style democracy.

the government have refused to take care of their people. This I cannot understand."

For years under the old command economy, the state supplied this plant with all the raw materials it needed. The plant, in return, supplied the state with fabric to make uniforms for the police and customs guards, work clothes and even gauze for hospitals.

But when the Soviet Union disintegrated, the predictability and state purchases under a command economy ended, too. The result was an end to life as it had been at Frolov and Ivanovo's other mills, which together had produced about one-third of the country's textiles.

For a while these plants kept doing things as before, oblivious to the economic commotion emanating from Moscow. They dug into their stocks of raw materials and shipped their products as before.

But no one is replenishing the materials and no one has sent state orders for finished goods. As economic conditions have worsened, no one has paid for deliveries.

One thing has not changed: About 6,000 people still get paid, although few are working. And everyone is nervously waiting for Moscow to come to the rescue.

"Something is wrong now," said Alexandra Kozlova, 38, who has worked here for 20 years. "They've broken everything and not put anything in its place. We've been raised in the spirit of socialism and are accustomed to it. The government must help us."

Frolov, in microcosm, shows the paradox of the Russian "shock therapy" economic reforms after half a year. The country has settled into an uneasy but quiet interlude, one that people here predict is the lull before the storm.

Prices have skyrocketed, traditional supply lines don't work and factories are accumulating huge debts. But still they lumber on. There is no official unemployment to speak of. Few plants have closed officially. Almost no one has taken to the streets.

The next six months will test the

Directors of the large factories, the prized children of the former centrally controlled economic system, are the ones who complain most bitterly about President Boris N. Yeltsin's program. They are the political force behind efforts to slow the changes and depose the architect of the change, acting Prime Minister Yegor T. Gaidar.

Many still nurture the hope that the orderly system of the past — when state planners determined what needed to be produced — will return if they wait long enough.

At Frolov, the director, Sergei Balan, 40, makes it clear he views the new market forces as distasteful and beneath the dignity of a plant that he said had been the main textile plant in the country's first five-year plan of industrialization.

"We were one of the biggest textile plants in Russia," Mr. Balan said. "There was a time when the Soviet market was a truly gigantic one and the huge factories were the most profitable. Now the only thing I can see is that the state and

Mr. Balan said his factory is due 800 million rubles for state orders it filled. On the other hand, the plant owes 500 million rubles to suppliers in the newly independent Central Asian republics, which until last year had functioned as part of the centralized economy. Now the suppliers are demanding market prices that Frolov cannot pay.

Three months ago, Frolov and other Ivanovo enterprises began cutting back work hours because of the lack of materials, closing for weeks at a time and telling people to take "vacations."

Now, two-thirds of Ivanovo's textile enterprises are shut most of the time, but the workers still receive 75 percent of their salaries. No one is talking about consolidation and no one has been laid off. The very suggestion of layoffs provokes a stunned silence.

Arens Flays Likud Over Palestinians

By Clyde Haberman
New York Times Service

TEL AVIV — Defense Minister Moshe Arens criticized some of his government's peace and security policies Sunday in an interview in which he also said that Israel had ignored Palestinians in the occupied territories for too long.

"Mr. Arens, who plans to retire from politics following his Likud party's defeat in the national election last week, singled out the concept of 'a greater Israel' in his criticism.

"That idea, bedrock in Likud policy, has been championed by Prime Minister Yitzhak Shamir in his commitment to hold onto all territories under Israeli control since the 1967 Middle East war.

"I don't think that slogan solves anything," Mr. Arens told the newspaper Hadashot, adding that he did not include the Gaza Strip as territory that Israel had to retain for its security.

100,000 members choose the candidate for prime minister and other senior positions. It was a plain attempt to copy innovations introduced by Labor earlier this year.

Recommendations have already begun.

In the Hadashot interview, Mr. Arens said it was wrong for Mr. Shamir to have reportedly told an Israeli daily last week that he would have prolonged negotiations on Palestinian autonomy for a decade while greatly increasing the number of Jewish settlers in the occupied West Bank and Gaza. "What Shamir says is a mistake," Mr. Arens said. "I don't accept it."

According to the newspaper Ma'ariv, the prime minister said, "I would have conducted negotiations on autonomy for 10 years, and in the meantime we would have reached half a million people in Judea and Samaria." Those are the biblical names for the West Bank.

The comment seemed to confirm his opponents' suspicions that he was never serious about Palestinian autonomy, which is a focus of the Middle East peace process and in theory should be achieved by November, a year after the opening peace conference in Madrid last autumn.

His comments came in one of several blunt interviews given by Likud leaders in the last few days. Taken together, they suggest that the party may go through wrenching political and perhaps also ideological changes now that it has lost power for the first time in 15 years.

In the meantime, triumphant Labor and its leader, Yitzhak Rabin, began the process of consultation essential to forming a governing coalition. Religious, leftist and rightist parties made clear their readiness to cast their lot with Mr. Rabin, whose party fell short of a parliamentary majority and must therefore find partners.

But Likud was left to figure out how to pick itself up after its worst electoral defeat in 23 years.

Party leaders agreed Sunday that they had to get clear of the severe internal disputes that had contributed to their defeat. They decided that by January they would hold a series of primaries to let the party's

Autonomy, or self-rule, is supposed to last for five years, and after the third year negotiations are to begin on the territories' final status.

A Shamir spokesman, Ehud Gol, said Sunday that Mr. Shamir "completely denies that quotation."

In his interview, Mr. Arens said it was possible his party had lost the election in part because "that was what the public sensed, that Likud doesn't seriously intend to realize autonomy for the Palestinians."

"In Judea and Samaria," he added, "a settlement should be reached with the Palestinians. We cannot ignore their problems."

A Month Afterward, Thai Generals Defy Pressures to Resign

By William Branigin
Washington Post Service

BANGKOK — A month after a bloody crackdown on Thailand's democratic movement, top military commanders are still holding out against demands for their removal and continue to preside over the biggest state enterprises.

The generals, loyal to former Prime Minister Suchinda Kraprayoon, have resisted calls for their resignations or transfers and have refused to testify before a legislative committee.

The military supreme commander, Air Chief Marshal Kasat Rajasarnit, and the army chief, General Issarapong Noopakdee, are among those whose ouster is being sought. They are under fire for their roles in directing the crackdown in which soldiers opened fire on demonstrators, killing at least 46 people and wounding more than 650. According to the latest government figures, 742 are still missing.

General Suchinda, a former armed forces chief who was appointed prime minister in April, resigned May 24. The protesters wanted him out because he had not been elected and because he represented, to them, continued military dominance in political affairs.

G-7 May Help East Make Reactors Safe

By Don Oberdorfer
Washington Post Service

WASHINGTON — The Group of Seven industrial nations are poised to adopt, at their upcoming Munich summit meeting, their first major international program to reduce the high risk of disaster at nuclear power reactors in the former Soviet Union and in Eastern Europe, according to U.S. officials.

President George Bush and the six other leaders are described as nearly certain to approve a plan for short-term improvements in the safety of the reactors, 15 of which are of the same design as the one that blew apart at Chernobyl in 1986, creating the world's worst nuclear accident.

The plan, which was devised by a G-7 task force headed by Germany, calls for spending at least \$680 million over five years to improve

operational safety and training at substandard reactors, making small technical improvements and providing assistance to regulatory authorities, U.S. sources said.

The United States, which began a \$25 million program along these lines last month, is expected to provide more than \$100 million for the five-year program.

Final details of the new international effort will be worked out July 6-8 during the Munich meeting, officials said. Chancellor Helmut Kohl of Germany said last week that the short-term nuclear safety program he has in mind would cost about \$800 million. He gave no details.

The most important unanswered question is how the leaders will deal with the broader and much more expensive need to replace or upgrade potentially dangerous reactors, whose

safety can be only marginally improved under the short-term plan.

The estimated price for the broader program ranges from a low World Bank preliminary estimate of \$6 billion to \$8 billion.

An estimate by Ivan Selin, chairman of the U.S. Nuclear Regulatory Commission, is \$20 billion.

At the upper end is a \$50 billion estimate by a private engineering company, Asca Brown Boveri Ltd. of Sweden.

The U.S. position is that plans for undertaking the replacement or upgrading task should await World Bank studies of energy supply and demand in the former Soviet Union. Sharp increases in energy prices and dramatic improvements in efficiency, officials say, may eliminate need for some of the nuclear reactors considered dangerous.

At Least 20 Die in Georgian Fighting

The Associated Press

MOSCOW — Georgian forces ignored a cease-fire Sunday and bombarded South Ossetian towns and villages with artillery fire that killed 20 people and wounded at least 40.

Heavy fighting was also reported in the Trans-Dniester region of Moldova and in the Nagorno-Karabakh region of Azerbaijan.

In the Central Asian republic of Tajikistan, officials denied a television report that 150 people had died Saturday in a clash between Muslim groups and said that no more than 10 people were killed.

In the Georgian republic, intensive rocket and artillery fire rained down on the South Ossetian capital of Tskhinvali and nearby villages, the Interfax news agency said, quoting the South Ossetian information agency.

"On the Ossetian side, there are 20 dead and 86 wounded in the past 24 hours," Interfax said. It said Tskhinvali was hit by more than 166 artillery shells, setting off dozens of fires.

The attack violated a cease-fire

struck last week by the Georgian leader, Eduard A. Shevardnadze, and President Boris N. Yeltsin of Russia. It was to go into effect Sunday and called for Russia and Georgia to regulate the truce.

Fighting between South Ossetia and Georgia began in December 1990, and has claimed at least 760 lives.

Oleg Terziyev, commander of South Ossetia's defense force, denied breaking the cease-fire and blamed the latest clashes on Georgian forces.

"In order to defend civilians, we have to return the fire to neutralize the weapon emplacements of Georgian formations," Itar-Tass quoted him as saying.

In Moldova, at least nine people were killed in battles between Slavic separatists and Moldova police and military units, Interfax Ministry officials said.

The ministry said separatists used tanks, grenade launchers, mortars and machine-guns in the nighttime assault.

The fighting has continued despite a cease-fire agreement worked

out last week at a meeting in Turkey by the presidents of Russia, Moldova, Ukraine and Romania.

The Trans-Dniester region of about 600,000 people in eastern Moldova is dominated by ethnic Russians and Ukrainians, who have declared independence out of fear that Moldova will eventually reunite with Romania. Moldova has refused to relinquish the relatively prosperous region.

A team of UN fact-finders arrived in the Moldovan capital of Kishinev on Saturday and was scheduled to meet with officials Sunday in an effort to end the conflict. On Monday, the delegation was to meet Trans-Dniester leaders.

In Tajikistan, officials sharply criticized Russian and Commonwealth television for broadcasting reports that 150 people were killed and 1,500 wounded in a clash Saturday between Muslim groups in the Kurgan-Tyube region, about 80 kilometers (50 miles) south of the capital, Dushanbe.

"The number of victims according to different sources varies from

eight to 10 people," Itar-Tass quoted Deputy Interior Minister Sherali Khairullayev as saying.

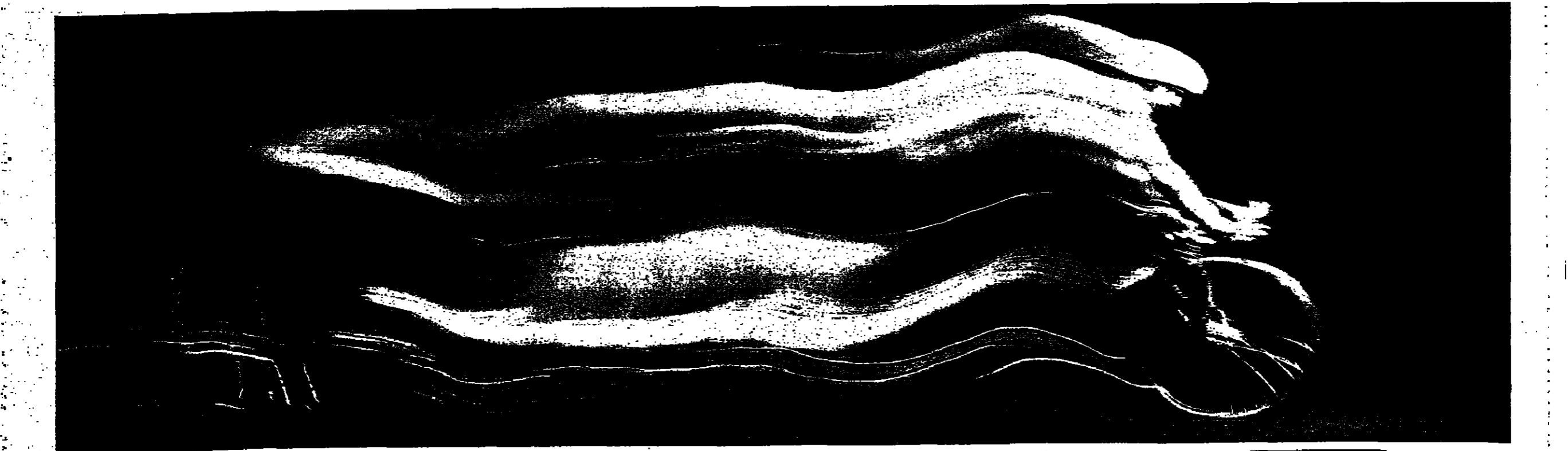
"We strongly protest against raising strong emotions around the socio-political situation in Tajikistan on the part of both central and Russian mass media," he said.

Southern Tajikistan is a stronghold of President Rahmon Nabiyev, the former Tajik Communist Party chief who was forced last month to share power with a coalition of democratic and Muslim opposition groups.

In Nagorno-Karabakh, about 1,500 Azerbaijani forces, backed by armored personnel carriers, launched a three-pronged offensive against Armenian villages.

The press center said that at least eight Armenians were killed in the attacks on the Askani district, the Gadрут district and the Martuni district.

Azerbaijan and Armenia have been locked in a four-year struggle over control of Nagorno-Karabakh, the predominantly Christian Armenian enclave inside mainly Muslim Azerbaijan.

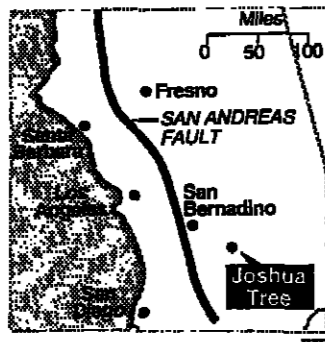


VISA MAKES THE WORLD GO ROUND. WORLDWIDE SPONSOR 1992 OLYMPIC GAMES

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QUAKE: Another Feared

(Continued from page 1)



Francisco in 1906, estimated at a force of 8.3. The second, measuring 7.7, was near Los Angeles in 1952.

No collapsed buildings or fires were reported in Los Angeles County, according to a fire inspector, Clark Pearson. But about 1,000 people were evacuated from one of three towers at the Disneyland Hotel in Anaheim, near Los Angeles, after cracks were found in it.

In the Los Angeles area, the main toll was in frayed nerves. "I've lived here all my life, and I don't remember any quake like this," one woman said. "It went on and on. I just kept yelling, 'Stop! Stop!' and it wouldn't stop."

Television viewers who tuned to CNN for news about the first earthquake got a dramatic glimpse of the second when it shook a reporter, Anne McDermott, while she was on the air.

Ms. McDermott was at CNN's Los Angeles bureau, talking about post-earthquake traffic, when she and the videographers began to shake. She stopped and looked into the camera.

"I don't know, you might have seen me jump right now," she said. "We are having a very strong aftershock. Right now. As I speak, I don't know if you can see the movement on your television camera. The lights are swaying."

"That was quite a jolt and it's continuing," she said. "This is worse, in my opinion, than we had three hours ago."

Moments later, as the shaking subsided, she said: "It appears to be stopping. O.K., things have calmed down considerably now."

(AP, Reuters)

TRIP: Sarajevo Cheers Mitterrand

(Continued from page 1)

it to a city that experienced international relief officials say is far too dangerous to work in appears to have grown out of what he has described as Europe's "moral obligation to help" the people of Bosnia.

But the siege of Sarajevo is also a human drama that receives heavy coverage in the French press. Mr. Mitterrand's visit could help improve the flagging fortunes of his Socialist Party, which faces national elections next March.

In any case, the trip marked a dramatic departure from weeks of hand-wringing and speechmaking on the part of the international community about how best to relieve the suffering of a besieged city where about 250,000 people have been battered and starved for nearly three months by Serbian forces.

Mr. Mitterrand came to Sarajevo from Lisbon, where European Community leaders urged the UN to send troops, if necessary, to end the Serbian blockade of Sarajevo's airport.

Many doubts remain, both in Europe and in the United States, about the wisdom of foreign military involvement in a civil war where ethnic groups are closely intermingled.

There was some evidence that Mr. Mitterrand had broken a logjam at the previously Serb-controlled airport.

Two Bosnian Serbian leaders — Radovan Karadzic and Nikola Koljivic — unexpectedly showed up at Sarajevo before the French leader's departure.

Mr. Karadzic said Mr. Mitterrand's arrival marked the symbolic opening of the airport, adding that his forces had turned the facility over to UN peacekeepers.

Sabina Iztbegovic, the president's daughter and personal secretary, also said that UN forces had secured the airport.

Bosnian officials said most Serbian fighters battling the city's primarily Muslim forces had pulled

out of Dobrinja, a suburb near the airport that has been focus of fierce fighting for the past two weeks. Only snipers reportedly remain behind.

Dobrinja had been viewed by the Serbs as a key to their control of a long slice of Sarajevo south of the major river that bisects the city.

If the Serbs have indeed given up Dobrinja, it will free up to 35,000 residents of the suburb who have been living for weeks on flour and grass.

The apparent Serbian failure to secure Dobrinja, along with the loss of the airport to UN forces, would mean that Serbian forces could lose the capacity to resupply the large Serb-controlled suburb of Ilidza.

Bosnian fighters have told military observers that they will attack Ilidza and destroy it as revenge for the destruction that the Serbs have visited on Sarajevo with artillery and mortars.

The key to ending the cycle of violence that has killed more than 2,000 people in Sarajevo since early May is the removal of the Serbian artillery that encircles the city in dug-in hilltop positions.

The UN mission in Sarajevo reported late last week that Serbian forces have begun to move anti-aircraft guns and tanks away from the airport, and that there was some progress on the clustering of artillery so it could be observed by UN soldiers.

In Belgrade, sources said that the threat of international intervention had frightened senior Serbian leaders who on Friday ordered Bosnian Serbs to back their big guns away from the city.

The battle for Sarajevo began when Mr. Karadzic insisted in early April that the city, despite a centuries-old tradition of ethnic tolerance, had to be carved into ethnically pure neighborhoods.

Muslims, Serbs and Croats in the city joined together to fight against the Karadzic plan, which is widely described by city residents as impossible to implement.



Prime Minister Giuliano Amato, announcing his cabinet Sunday.

Latest Italy Cabinet Confronts Old Woes Amid New Doubts

By Alan Cowell

New York Times Service

ROME — Italy sought to emerge from three months of political paralysis Sunday with the formation of a new and uncertain coalition government to confront chronic problems including debt, organized crime and public disillusion in the authorities' ability to deal with them.

It was unclear how long it would be able to remain in office. The administration named by the incoming Socialist prime minister, Giuliano Amato, was Italy's 51st since the end of the World War II; unlike most of the others, it took office as many Italians demanded a revolution in the way the country is run.

Giulio Andreotti, a former prime minister who has served in nearly

every postwar government, was not given a ministerial job. Another prominent figure to lose office was the foreign minister, Gianni De Michelis.

Most of the jobs in the 25-member government went to Christian Democrats and Socialists, whose frail alliance has dominated for decades, and to their smaller coalition partners in the last government, the Social Democrats and the Liberals.

The new government, which has only a slender majority, has to survive a no-confidence vote this week in a turbulent Parliament before it can begin to focus on a budget deficit so big it threatens Italy's place among Europe's leading economies, and on an increasingly evident readiness of the Mafia to assert its power.

The crisis began in early April, when a large protest vote in national elections signaled widespread disaffection with post-barrel politics and corruption.

The vote registered gains for protest parties, such as the Northern League, which refused to participate in the new government, leaving Mr. Amato with little choice but to draw his administration from familiar ranks.

As the crisis unfolded, there were frequent reminders of why many Italians had protested. Investigations in Milan into a kickback scandal on contracts for public-works contracts blossomed into a wider inquiry into institutionalized corruption in many parts of the country.

In Palermo, the country's senior Mafia investigator, Giovanni Falcone, was assassinated in a bomb attack five weeks ago that provoked a wave of disgust at the Mafia's increasing disdain for the authorities.

On Saturday, tens of thousands of people took to the streets of Palermo to denounce the Falcone killing and, unusually, publicly associate themselves with an anti-Mafia protest in the mob's own field.

In forming the new government, Mr. Amato said, "We have tried to strike a balance between parliamentarians and those from outside. We have also tried to rotate those who have been in government for more than five years."

As treasury minister, he appointed Piero Barraci, head of one of the country's biggest banks, Credito Italiano.

As interior minister — in charge of the police forces fighting the Mafia — he named Nicola Mancino, 60, a Christian Democrat member of Parliament who has never been in government before. Claudio Martelli, the Socialist Justice Minister who framed key anti-Mafia legislation over the past year, retained his post.

Even before Mr. Amato named his government, legislators and political commentators had suggested that its ability to survive was in doubt because of a mere 15-seat majority in the 630-member lower house of Parliament.

And many legislators sensed that if the government collapsed and new elections were held — still a possibility — the protest parties that triumphed in April would probably damage the traditional parties' standing even further.

"From the point of view of a lot of people, it's worth trying to keep this government in power if only to prevent a new election," said one lawmaker who requested anonymity.

The average life of Italian governments since World War II has been around 11 months. But until this year all were dominated by the same players simply changing places. That, many suggested, provided a fundamental stability in what, from outside, seemed a chaotic succession of crises.

The difference now is that many Italians see the political old guard as discredited, adding a further ingredient of instability to the mix of an unpredictable Parliament and an insurgency by smaller protest parties.

BUSH: The Gulf War Triumph Begins to Turn Sour

(Continued from page 1)

the great menace to peace in the Gulf was Iraq.

But Zalmay Khalilzad, an official in the State Department Office of Policy Planning, asserted that the more dangerous threat came from Iraq, which had replaced Iran as the strategic regional power and was now poised to dominate the Gulf. He advised in a paper that America's new policy should concentrate on strengthening Iran and containing Iraq.

The paper was included in the State Department Policy Planning staff's official "transition book," which reviewed all the foreign policy issues the new president would soon have to confront. But after

Mr. Bush took office, the State Department staff's arguments were either overlooked or rejected. The administration knew, however, that Mr. Saddam spent \$10 billion — 40 percent of Iraq's oil revenues — in 1988 and '89 on military equipment and personnel.

It also knew that mounting evidence suggested he was pressing ahead with the development of nuclear and biological weapons, enhancing his chemical weapons and working on his own long-range ballistic missiles.

When the president finally issued his policy on Iraq in October 1989, the decision was to stay Ronald Reagan's course, which evolved at the height of the Iran-Iraq war. Iran should be isolated, and Iraq should be extended political and economic favors as a way of moderating its behavior and improving its relationship with Washington.

In the nine months after the Bush administration settled on its policy — as Iraq grew steadily more belligerent and, eventually, massed 100,000 troops on Kuwait's northern border — the Bush administration provided Baghdad with \$500 million in agricultural sales credits and pushed for \$500 million more.

It overrode congressional objections to continuing federal financing for commercial transactions with Iraq and sold Baghdad high-technology equipment that could be useful in Iraq's military programs. It provided Iraq with intelligence on Iran's political and military situation — until the Iraqis themselves cut off the "intelligence-sharing" meetings in February 1990.

It fought congressional attempts to impose economic sanctions on Baghdad and to brand it a supporter of terrorism, and played down what it acknowledged was Iraq's "abysmal" human rights record.

Now, some Democrats say, it is difficult to explain why the CIA must spend \$40 million in tax money next year to try to overthrow a dictator whose presidential palace is protected by a U.S.-made communications system — particularly after the United States and its allies spent \$61 billion to fight the war.

But Mr. Bush's unwillingness to come up with a coherent defense of his policy has frustrated even his Republican supporters.

"I consider this an administration of generally good judgment, but it is totally bereft of philosophy," said Representative Jim Leach, an Iowa Republican. Although he said he was "99 percent sure" that the administration committed no crimes, he said: "The more handsomely the defense, the more the public will suspect a cover-up."

While some congressmen say that all this suggests a large-scale cover-up that can be investigated only by an independent counsel, the White House has denied any wrongdoing.

Mr. Bush acknowledges that his policy failed, while continuing to argue that the Gulf War victory was one of the greatest achievements of his presidency. He says that the move to appoint an independent counsel "smells political" to him.

For some lawmakers and analysts, Iraq is a showcase of President Bush at his best and at his worst. At his best, he built an international coalition to push the Iraqis out of Kuwait and strip Baghdad of its weapons of mass destruction. At his worst, Mr. Bush allowed the policy to drift as soon as peacetime set in.

"He showed great skills in ad hoc policymaking, and his performance during the war was impressive," said Representative Les Hamilton, Democrat of Indiana. "But his policies prior to the war failed, and the follow-through afterward has been disappointing. He is not thinking ahead."

Charles William Maynes, the editor of the magazine Foreign Policy, put it more bluntly. "Triumph has become ashes in the mouth of the victor," he said.

After 9 Days, Niger Cuts Relations With Taiwan

Reuters

NIAMEY, Niger — Taiwan's latest victory in its campaign for recognition around the world suffered a defeat Sunday when nearly bankrupt Niger severed diplomatic relations after only nine days. The government said the decision had been made to safeguard the country's "democratic forces."

Niger receives aid from the Communist government in Beijing. Chinese diplomats here and local politicians immediately attacked the recognition of Taiwan.

LIBYA: Adventure Holidays

(Continued from page 1)

and Italian groups, say they are determined to lure vacationers. "People must be tired of going to the same old places," Mr. Ghannai said, "and Libya is something different. Besides, it's not crowded."

Plans are under way to build a hotel on the island of Farwa, near the Tunisian border, and a string of motels along the coast.

"We realize there is a lot we have to do," said Ali Oamoudi, who is in charge of the Farwa project. "We have to do a lot of building, and we have to train people. We hope to open a tourism institute."

Libya has a long and undeveloped coastline, although much of it is littered with garbage. It has some large Greek and Roman ruins. And for those who enjoy trekking in the desert, the south of the country has thousands of miles of open and unspoiled dunes.

But Libya is one of the most expensive countries in the world, if visitors change foreign currency at the official rate. Most outsiders are required to declare the amount of money they bring into the country

and are given a currency form to note each time they change money, making black market transactions difficult.

It takes \$3 to buy one dinar, according to the official rate, making a cup of coffee a \$2 purchase. A modest hotel room costs \$150, and credit cards are not used.

On the black market, the dinar is worth about 60 cents.

RIVALRY: South African Fears

(Continued from page 1)

professional ANC and Inkatha assassination teams have been killing each other's officials. Inkatha says 80 officials have been assassinated since legalization of the ANC in February 1990 and more than 200 since 1985.

The enmity between Inkatha and the ANC is long and complicated, rooted in apartheid's legacy. Apartheid banned all normal black politics for three decades — no rallies, no meetings and no voting to test public support for each group. Only Inkatha, rooted in the government-supported KwaZulu homeland, was allowed to function freely. From that base, in the mid-1980s Inkatha began to battle ANC front groups for turf in Natal.

There, in scores of clashes, were sown the seeds of their struggle. South African security forces began to aid Inkatha as the government and Chief Buthelezi realized they had a common enemy in the

ANC. Together, they fought the slow expansion of pro-ANC groups into Inkatha strongholds in Natal.

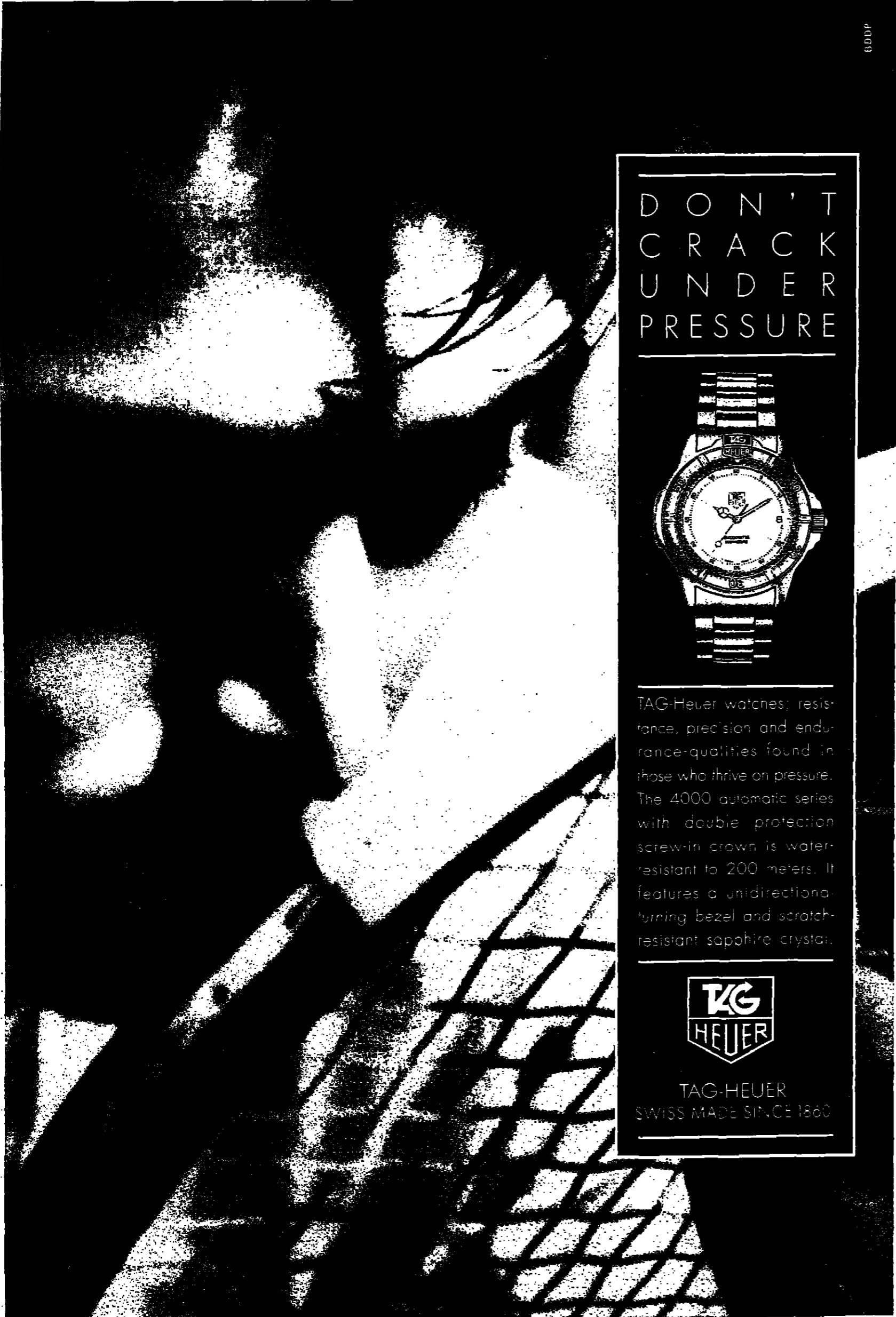
The bloodletting has been perpetuated in cycles of revenge killings. It has been accentuated by the ANC's legalization, the constitutional negotiations and mobilization of supporters for the country's first national elections involving the black population.

Chief Buthelezi, whose political fortunes have been on the wane, fears he may be left out of the dealing for a new constitution. He has said that the ANC is trying to scuttle constitutional talks and indicate "the destiny of the country."

"The negotiation process is a multiparty affair," he said. "It is a gross distortion of political reality to present a picture of the negotiation process as one which the ANC can control."

President Frederik W. de Klerk's recent political maneuvering in search of maximum power for his own National Party in the "new South Africa" have served only to intensify the ANC-Inkatha rivalry.

Analysts note that ever since de Klerk legalized the ANC and freed its leader, Nelson Mandela, from prison, the president has vacillated over whether to ally with the ANC and jettison Inkatha, or try to form a multiparty, multiracial coalition to beat the ANC at the polls. The latter strategy makes Chief Buthelezi and Inkatha extremely important to Mr. de Klerk.



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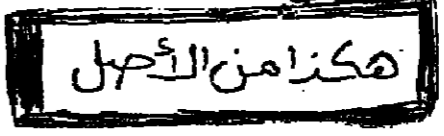
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CAPITAL MARKETS

Rebound Seems Unlikely In New Eurobond Issues

By Carl Gewirtz

PARIS — New-issue activity slowed by about 20 percent in the international capital market during the second quarter, data supplied by Salomon Brothers show. But thanks to a record volume in the first three months, the first-half total is still up about 10 percent from the year-ago period.

Although the numbers would seem to indicate 1992 could emerge as the busiest year ever, bets on that outcome are not running high. Prospects for the third quarter, always slow due to the summer vacation, are particularly clouded this year. Bonds denominated in U.S. dollars could remain out of favor due to the sustained weakness of the currency, and investors are expected to shun European currencies at least until the French referendum on the Maastricht treaty, expected in September.

The dollar may stay weak, and France's referendum clouds European currencies.

In addition, given the heavy flood of Eurobond issues in the first quarter and the still-slow pace of economic activity, borrowers are under no pressure to try to force new issues on an unresponsive market.

The one bright spot is yen bonds. Japanese interest rates are widely expected to decline further. If the government also approves a supplemental budget to boost activity, analysts expect the yen could continue to appreciate in the foreign-exchange market despite the drop in interest rates. This could provide foreign investors a double incentive: rising bond prices as interest rates fall and a gain on the exchange rate as the yen rises.

Issuance in yen is likely to be high. Japanese companies need to redeem a huge volume of equity-linked Eurobonds where the options to buy stock are worthless as Tokyo prices have fallen to a six-year low. If stock prices rise, sales of new stock would have provided the cash to redeem the bonds.

While the big crunch for such redemptions is next year, when an estimated \$80 billion of bonds matures, the pace is already increasing. Redemptions last year amounted \$11 billion. In the first half of this year they totaled \$11 billion. In the remaining six months of this year redemptions will rise to \$22 billion, of which \$15 billion comes due in the third quarter.

THE OUTLOOK for the U.S. dollar sector is especially choppy. It is widely assumed that Thursday's employment data for June will push the Federal Reserve to further lower interest rates. Philip Braverman at DKB Securities in New York expects a half-point cut in both the discount rate and federal funds rate. The prevailing view in the market is for only a quarter-point cut in the funds rate to 3.5 percent.

A bigger cut could be the catalyst for a further drop in the dollar while the smaller move, already discounted, could leave the dollar unscathed. It ended last week at 1.5353 Deutsche marks and 125.67 yen.

A decline in interest rates is always good news for the bond market. But as this will be seen as the last move down in rates, it is questionable whether investors will be rushing to buy fixed-coupon paper — especially at a time when the currency itself is weak and not expected to recover soon.

John Lipsky, chief economist at Salomon Brothers, sees "a favorable environment" for the bond market with the yield on 10-year U.S. government paper holding steady. "We don't expect the recent rally to continue, nor do we see any near-term reversal."

As for the dollar, he says, "Our guess is that its recent weakness won't be sustained. The market expects another Fed easing and it would take a new disappointment over U.S. economic data to create further downward pressure."

That is by no means a universal view. Jim O'Neill at Swiss Bank Corp. in London says the currency "is in a bit of trouble."

"Only two factors could spark a recovery," he says. "Ross Perot disappears as a potential candidate in the U.S. presidential election, or the Bundesbank abandons its target growth rate for the money supply."

His point, widely shared, is that the dollar suffers not only from its own weakness but also from the strength of the mark, which is buoyed by short-term interest rates that stand 6 percent points above dollar rates.

"It's very difficult to see any significant recovery to the dollar" in the immediate future, Mr. O'Neill says. He worries that a fall below the year's low of 1.50 DM "could set off panic selling."

Bob Tyley, London-based analyst for Banque Paribas, observes that there are basically two types of players in the currency market — "those who play the trend and those who play levels."

Trend players buy when the currency is rising and sell when it is falling. The Japanese, he notes, traditionally play levels — set a specific price at which they become either buyers or sellers. In the current climate, with the dollar grinding lower, trend players are selling while the Japanese are not yet buying.

But Mr. Lipsky expects German economic data over the

See CAPITAL, Page 9

BHP Plans \$5 Billion Spending To Expand

Compiled by Our Staff From Dispatches
SYDNEY — Broken Hill Pty. Australia's largest publicly traded company, plans to spend \$5 billion Australian dollars (\$4.9 billion) on expansion despite weak business conditions, its managing director said on Sunday.

The executive, John Prescott, said that orders for the January-May period this year were 9 percent below those in the year-earlier period. "So we are really seeing a continuation of the subdued conditions that we were experiencing over the last couple of years," he said in a recorded television interview.

BHP, a diversified resources and steelmaking company, reported Friday that its profit after tax but before abnormal items had fallen 21 percent to \$26.8 million dollars in the year that ended May 31.

Despite the slowdown, Mr. Prescott said BHP would invest 6.5 billion dollars over an unspecified period of time to build infrastructure and increase capacity to capture new business, both in Australia and overseas, would be aimed at raising the company's capacity in steel, coal and iron ore, he said.

Asked if the iron was over for BHP, Mr. Prescott said: "I think we've seen the low point in our steel business and I hope we've seen the low point in our petroleum business." But, he warned, "we may not have seen the impact" of the deterioration of the Japanese economy on BHP's minerals business.

(AFP, Reuters)

The Microsoft Millionaires Young, Low-Key and Defying Convention

By Timothy Egan

SEATTLE — Just a few years ago, when the monied class of Seattle gathered inside a ballroom for an annual arts benefit, many an unfamiliar face could be seen.

Families named Boeing, Nordstrom and Weyerhaeuser, representing airplane, clothing-store and timber empires, were the financial powers of the region. They were also benevolent civic players, keeping the arts afloat and leading drives to save a sports team or add a wing to a hospital.

But virtually overnight, the pecking order of wealth in the Pacific Northwest has been turned upside down. The reason: The stunning success of Microsoft Corp., the company that William H. Gates 3d brought back to his hometown little more than a decade ago.

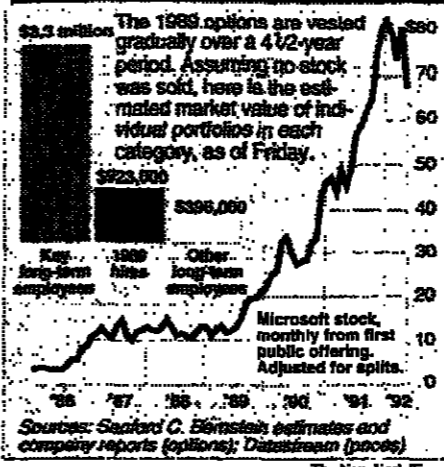
Microsoft turns cautious on the dropping of figures, but a Wall Street research firm estimates that at least 2,200 employees at Microsoft's Redmond headquarters east of here — nearly one in five — are millionaires. Not even the height of the Wall Street takeover frenzy of the mid-1980s made as many instant millionaires as did employment at Microsoft for the last five years, analysts say.

The Microsoft millionaires are unlike any in the world. Not only are many under the age of 30, the vast majority are not executives or lawyers but rather software writers with technical backgrounds. As they mature, the Microsoft affluent could change the uses of wealth much as they changed the world of computers. They refuse to follow patterns of the old guard.

Unlike many of their wealthy peers, who contribute to political candidates and to established philanthropies, they are generally not politically active, and rarely support benefits for traditional causes like the arts.

But they are nevertheless having an effect in this community — through the many jobs they have generated at Microsoft and their own startup businesses, and through generous contributions to local schools and universities. Even the recent acquisition of the Seattle Mariners baseball team by a group led by the founders of Nintendo would

Microsoft Boom



The 1992 options are vested gradually over a 4 1/2-year period. Assuming no stock was sold, here is the estimated market value of individual portfolios in each category, as of Friday.

never have been approved without an investment from Chris Larson, 33, a Microsoft executive who contributed about \$30 million to the deal. Perhaps most striking, this new generation of Puget Sound rich is even less ostentatious than previous ones in a city that has never been a place of showy wealth. Many of the newly wealthy Microsoft employees — the vast majority are men — have not bought houses. They do not belong to country clubs, and the car of choice among them is a Lexus, the car Mr. Gates drives to work; no chauffeured Rolls-Royces for this group. They tend to be dreamers, with visions for the advancement of technology to fulfill before they slow down. Energetic and sleepless, many keep to the 16-hour days established by Chairman Bill, as Gates is known. Ostentation is the occasional \$50 bottle of wine to go with their trademark cheeseburgers. "People who worked on Wall Street in the 1980s just wanted to make a lot of money," said William

See MILLIONAIRES, Page 9

U.S. Steel Firms To Seek Billions In Import Tariffs

By Keith Bradsher

WASHINGTON — An angry U.S. steel industry has decided to seek billions of dollars in tariffs on imports from Japan, the European Community, Canada and more than a dozen Third World countries.

The six large U.S. integrated steel producers plan to file nearly 100 trade complaints on Tuesday seeking protection from foreign competition, government and steel industry officials said. That is the day Prime Minister Kiichi Miyazawa of Japan is scheduled to arrive in Washington on an official visit and a week before President George Bush meets with the leaders of the seven leading industrial democracies in Munich.

These complaints amount to "a declaration of economic warfare," an EC official said. The White House has quietly and gently tried to persuade the steel companies to postpone their filings at least until after the Munich summit meeting to prevent harm to the United States' diplomatic relations with its allies. Steel trade cases, like auto cases, tend to result in diplomatic friction because steel companies employ hundreds of thousands of people around the world and are often regarded as important for national security.

The Japanese government has joined with Japanese steel companies, which own large stakes in or have joint ventures with all six big U.S. steel companies, in an aggressive but unsuccessful campaign to persuade U.S. steelmakers to leave Japan out of the trade cases. But the U.S. steel industry is planning to go ahead with its filings anyway for several reasons, five people involved in the cases say. For one thing, the companies are furious at the Bush administration for refusing to file the cases itself, which would have spared American executives the embarrassment of confronting Japanese business partners, on whom they increasingly rely for investment and technology. For another thing, top steel executives feel they are legally obliged, by the risk of shareholder lawsuits, to take every opportunity under U.S. law to minimize competition. Steel imports totaled \$7.8 billion last year, or 17.8 percent of the market, and the billions of dollars in duties would compensate for foreign subsidies for steel exported to the United States at unfairly low prices. The steel companies plan a news conference on Tuesday, to be attended by senators and representatives from steel-producing states as well as the heads of most or all of the big steel companies. People involved in the case said Tuesday had been chosen because the officials would be in Washington, not because of the arrival of Mr. Miyazawa. Like the Japanese officials, European, Mexican and Canadian officials have expressed alarm to the administration. A senior EC official. See STEEL, Page 9

Tokyo Notebook

Giving to Russia: It Already Hurts

Japan fears that its G-7 partners, beginning at their summit meeting July 6-8 in Munich, will look to it as the cash cow of choice to help Russia survive the next few years, even though Japanese policy is to withhold full-scale aid until resolution of the two nations' territorial disputes.

"We realize we may have to provide additional emergency humanitarian aid for the coming winter and may have to consider additional financial assistance next year," a Foreign Ministry official said.

Tokyo maintains that its \$2.5 billion commitment thus far is relatively small and has been humanitarian in nature, and that there has been no compromise of its linkage between full-scale aid and Moscow's return of four islands off the northern coast of Hokkaido that the Soviet Union seized in the final days of World War II. (Very little money or credit, in fact, has been disbursed.) Likewise, any additional aid would stay within limits that the government says are inviolable, if not clearly defensible.

Officials think that extending further credit is a bit like playing Russian roulette. "Nobody really knows about Russia but we've been obliged to go ahead," one said.

In the future, they fear, the pressure on Tokyo will grow as other donors, notably the United States and Germany, which led efforts to extend a total \$24 billion in loans to promote economic reform, will have less leverage to spread around. Tokyo, with deeper pockets and major strategic interests, could be pushed to offer massive aid. "We cannot afford to have Russia in a confused state for a long time," said the Foreign Ministry official. "It's our closest and largest neighbor."

Serenity Lies in Store For Next Year's G-7

Japan, home of next year's Group of Seven summit meeting, had hoped to find an alternative to Tokyo, site of the last two meetings, it hosted in 1979 and 1985. But security and cost considerations forced planners to give up on the idea of holding the summit in Kyoto, Hiroshima, Chiba or another city. They will succeed at least in changing the venue from the Akasaka Palace, an 18th-century French-style monstrosity that was built as a residence for the crown prince. The betting is that a serene Japanese-style wedding hall in central Tokyo, the Meiji Kinen-kan, will be chosen. Prime Minister Kiichi Miyazawa will announce the selection at the end of the Munich summit meeting.

Rocket Scientists Are Up Against It

Japan, whose belief in technological superiority has made it quick to accuse the West of

sloppy workmanship when American- and European-built satellites failed or rockets blew up on launch, is having a hard time admitting that its next-generation rocket, the H-2, is unlikely to meet its February, 1993 maiden launch date.

A critical test firing of the H-2's liquid-fuel engine on June 18 ended in flames. That was the latest in a series of mishaps, including an explosion last summer which killed a technician, that have already caused a year's delay to the schedule.

To launch on time, the National Space Development Agency of Japan needs to complete back-to-back test firings of the engine by August. But when, or whether, such tests will take place is anybody's guess; the agency is still studying the cause of the latest mishap.

Dieter Brand, deputy manager of the Tokyo office of Europe's ArianeSpace consortium, thinks the chance of meeting the schedule is 5 to 10 percent. "It could easily be delayed by one, two or three years," he said.

Automakers Scratch For Market Solutions

Japanese auto executives are wondering how to respond to declining market share in the United States, their biggest overseas market. "The Big Three are on the rise and the Big Five in Japan are suffering from significant strategic problems," says Keith Donaldson, an analyst at Salomon Brothers.

According to a study released last week by the Economic Strategy Institute, a Washington think tank, Detroit has taken the lead in fuel economy, innovation, technology, styling, safety measures and price. The Japanese are ahead in quality, development time for new models and productivity.

In addition, the Japanese are finding themselves poorly positioned as the U.S. market reopens. They are handicapped by export restraints and have few offerings in the market's fastest growth area, light trucks.

The Japanese have seen their share of the U.S. car and light-truck market slip by 1.4 percent to 24 percent in the first five months of 1992, while U.S. makers boosted their share by 1.6 points to 72.4 percent.

Japanese makers are compensating by lifting sales to Israel, Venezuela, Chile, China and other secondary markets. But they need to continue their drive into upscale markets while cutting domestic production and lowering overhead to cope with an era of slower growth.

Steven Brill

Tool Orders Drop Amid Sluggish U.S. Rebound

WASHINGTON — Orders for U.S. machine tools sagged 27.5 percent in May, pummeled by recessions overseas and a sluggish domestic recovery, the Association for Manufacturing Technology said Sunday.

The May decline, to \$159.1 million, followed a 9.6 percent decrease in April, to \$219.5 million, the trade group said. "The economy is expanding, but not at a very impressive rate," said Richard Hoey, chief economist at Dreyfus Corp. "It's like when you start a car and it sputters along in the winter, not hitting on all cylinders."

Orders were up from the depressed levels of a year earlier, however. Compared with May 1991, orders increased 4 percent. For the year to date, orders were up 5.8 percent.

Part of the May weakness stemmed from a drop in export orders, a reflection of weakening economies abroad and therefore less demand for U.S. manufactured goods. Foreign orders decreased 14 percent, to \$25.1 million last month, while domestic orders declined 30 percent, to \$134.1 million.

Albert T. Moore, president of the trade group, said May had been a low order month for the past three years. Nevertheless, "many key trends seem to point to an improving picture over the last half of the year," he said.

Corporate profits have strengthened, cash flow has improved and the plant-use rate of U.S. industry appears to be on the increase, Mr. Moore said.

Machine-tool shipments declined 15.6 percent in May, to \$169.4 million. The machine-tool order backlog rose slightly, to \$1.48 billion. Orders for metal-cutting tools decreased 31 percent in May, to \$109.3 million, while orders for metal-forming tools declined 19 percent, to \$49.8 million.

Machine-tool orders are a barometer of industrial production and capital spending by manufacturers. (Bloomberg, AP)

BUSINESS YEAR 1991:

Focus on core business

... understanding means going back to a simple, unitary principle. Werner Heisenberg, Across the Frontiers

Public sector financing is DGZ's core activity, a specialization that has enhanced our business in Germany and across Europe. As interesting opportunities emerge from the New Europe, we will continue to strengthen our commitment to this field.

Developments of recent years point to solid growth potential for the future. In 1991, our balance sheet total rose by a satisfactory 6.4 percent to DM 93.5 billion. And we achieved an operating result of DM 183 million, a plus of 43 percent year over year. The complete annual report is available upon request.

Table with 4 columns: Financial Highlights (DM million), 1991, 1990, 1991. Rows include Total Assets, Due from Banks, Debtures and Bonds, Receivables from Non-Bank Clients, Fixed Assets, Deposits by Banks, Deposits by Non-Bank Clients, Own Debtures in Circulation, Capital, Shareholders' Loans and Reserves, Net Interest and Commission Income, Personnel and other Expenses, Taxes, Net Profit.

Deutsche Girozentrale Deutsche Kommunalbank FRANKFURT/BERLIN

Telefon: 10, D-6000 Frankfurt am Main 1, Tel.: (049) 2693-0, Fax: (049) 2693-490; Hase-Steinle-Strasse 91-94, D-1017 Berlin, Tel.: (030) 42 85-0, Fax: (030) 42 85-270; Luxemburger Strasse 16, Boulevard Royal, L-2449 Luxembourg, Tel.: (00352) 47 43 60, Fax: (00352) 46 24 77; DGZ International S.A., 16, Boulevard Royal, L-2449 Luxembourg, Tel.: (00352) 46 24 71-1, Fax: (00352) 46 24 77

CURRENCY RATES

Table with columns: Cross Rates, Other Dollar Values, Forward Rates. Includes rates for various currencies like Australian, Canadian, Swiss, etc.

Table with columns: Stock Indexes, Money Rates. Includes DJ Index, NYSE, etc.

Last Week's Markets

Table with columns: All figures are as of close of trading Friday, Stock Indexes, Money Rates. Includes DJ Index, NYSE, etc.

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Limited, London, Tel: 322 40 00. Prices may vary according to market conditions and other factors. June 28

Canadian Dollars

Issuer Cn Mat Price Yld Std Dev

Short Term

Table of short-term Canadian dollar bonds with columns for Issuer, Cn Mat, Price, Yld, and Std Dev.

Governments/Supranationals

Table of government and supranational Canadian dollar bonds.

Issuer Cn Mat Price Yld Std Dev

Table of Canadian dollar bonds from various issuers.

Banks

Table of bank-related Canadian dollar bonds.

Issuer Cn Mat Price Yld Std Dev

Table of Canadian dollar bonds from various issuers.

Corporates

Table of corporate Canadian dollar bonds.

Issuer Cn Mat Price Yld Std Dev

Table of Canadian dollar bonds from various issuers.

ECU Straights

Table of ECU straight bonds.

Issuer Cn Mat Price Yld Std Dev

Table of Canadian dollar bonds from various issuers.

Issuer Cn Mat Price Yld Std Dev

Table of Canadian dollar bonds from various issuers.

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Table of Canadian dollar bonds from various issuers.

NEW YORK (AP) - The following table shows the closing prices of the most actively traded mutual funds as of Friday, June 26.

Table of mutual fund prices with columns for Fund Name, Bid, Ask, and other details.

MUTUAL FUNDS

Figures as of close of trading Friday, June 26.

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Figures as of close of trading Friday, June 26.

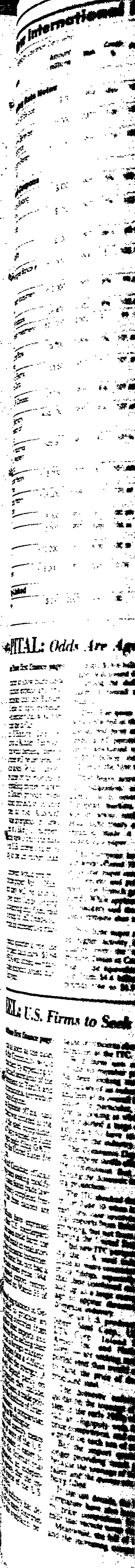
Table of mutual fund prices with columns for Fund Name, Bid, Ask, and other details.

MUTUAL FUNDS

Figures as of close of trading Friday, June 26.

Table of mutual fund prices with columns for Fund Name, Bid, Ask, and other details.

(Continued on page 12)



مكتبة من الأصول

New International Bond Issues

Table with columns: Issuer, Amount (millions), Mat., Coup. %, Price and week, Terms. Includes Floating Rate Notes and Fixed-Coupons.

Bond Traders Scrutinize Fed Weak Data Could Spur Rate Cut, More Buying

Compiled by Our Staff From Dispatches NEW YORK — The U.S. government bond market, after a frenzy of buying last week on indications of economic weakness, is looking hard for more such signs this week and for a possible easing of interest rates.

Japan's LDP Seeks Economic Stimulus

The Associated Press TOKYO — The governing party has proposed a package of measures to stimulate Japan's sagging economy, including a large supplementary budget.

IBM and Microsoft Settle Feud Over Operating Systems

By John Markoff New York Times Service NEW YORK — The world's largest computer maker, IBM, and the most influential software company, Microsoft, have reached a "divorce settlement" that provides for shared custody of existing operating systems while the two pursue divergent paths.

CAPITAL: Odds Are Against a Eurobond Rebound

(Continued from first finance page) coming quarter to show more slack than the market expects and renege expectations that the Bundesbank will ease its tight monetary policy — an element that would set a floor under the dollar.

MILLIONAIRES: Microsoft's New Rich Are Young, Low-Key and Defying Convention

(Continued from first finance page) Pope, 37, who has been with Microsoft for six years. "The people at Microsoft want to change the world."

STEEL: U.S. Firms to Seek Billions in Import Tariffs

(Continued from first finance page) cause of concerns about a change in direction at the ITC. With three new commissioners on the six-member panel, the ITC has been looking more closely at the causes of an industry's troubles and less at its overall financial condition.

The Trustees of Tufts University are pleased to announce the successful completion of The New Campaign for TUFTS. The Board of Trustees and President Jean Mayer extend their sincere thanks to all alumni, parents, and friends for their help in exceeding the goal of \$250,000,000 in the New Campaign.

Ferrier Lullin & Cie SA Bank established in 1795 - Geneva Two Centuries of Private Banking. Key Data table showing financial performance for 1990 and 1991.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, June 26.

Table with columns: Sales in 100s, High, Low, Close, Net Chge. Lists various OTC stocks and their performance.

Table with columns: Sales in 100s, High, Low, Close, Net Chge. Lists various NASDAQ stocks and their performance.

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Advertisement for International Fund Investment (IFI) magazine. Title: 'The central source on fund investment.' Includes text about fund performance, financial regulation, and investment opportunities.

Advertisement for 'Doing Business in Today's Western Europe' book by Alan Tiller. Text: 'Must reading for penetrating the world's largest single market.' Includes details about the book's content and ordering information.



Vertical text on the far right edge of the page, including 'NASDAQ NATIONAL MARKET' and other illegible text.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, June 26.

(Continued)

Table with columns: Symbol, 100s High, Low, Close, Net Chg. Lists various OTC stocks and their price movements.

Table with columns: Symbol, 100s High, Low, Close, Net Chg. Lists various international and domestic stocks.

Don't Look for Golden Years Just Yet

By Jonathan Fuerbringer
NEW YORK — Yes, there is some good news about gold. According to a study by Gold Fields Minerals Services...

Price and Production Costs

Table showing Gold production costs by area and average price in 1991. Includes columns for Area, Price, and Average Price.

And it appears, according to the Gold Fields study, that the huge increase in the production and overall supply of gold of the past half-decade is leveling off...

But the bad news right now is that these facts, and all the others that are mined daily in the gold market, still may not mean much in the way of a stronger price.

From an average price in 1987 of \$446.07 an ounce, gold fell to \$362.26 in 1991. Adjusted for inflation, gold in dollar terms is at its lowest level since the late 1970s...

Mr. Poole is bullish because he expects the economic recovery to continue and to be a little stronger than the consensus outlook.

With growth, Mr. Poole expects the U.S. inflation rate to rise to the 5 percent range. This should lead to a further weakening of the dollar...

For Platinum, Uncertainty Over the Outlook in Japan

What of platinum, another precious metal that isn't as precious as it used to be? The outlook for platinum, according to an annual report released last month by Johnson Matthey, a refiner and marketer of precious metals based in London, is a little unclear.

cally by supply and demand. This means that gold is a commodity, like soybeans, wheat or coffee.

Looking at the Gold Fields report, which the industry often refers to as "The Bible," one feels that gold is behaving more like a commodity. This is the case because forces other than supply and demand that could have an impact on gold prices — like inflation, war and financial catastrophe — seem to be receding.

In addition, there are more alternative investments today than 10 years ago, so gold is less likely to be a preferred investment. And the supply and demand factors over the last 10 or 15 years really look like they have had an impact.

One of the key supply factors is mine production. According to Gold Fields, the fall in the price of gold has left around one-third of the world's industry unprofitable, although this does not mean these producers have stopped producing.

One clear effect of the lower price of gold is that people are putting it back into their teeth again. The biggest players in the dental gold market are the Japanese and the Germans. In 1982, they put 31.3 metric tons of gold in their mouths — half of the world's dental goldplate. But then Germany — and the rest of the world's dental patients, except for the Japanese — turned to less expensive alternatives like compacted porcelain, titanium and palladium-based alloys.



Carlsberg beer

Probably the best beer in the world.

China's Budget Deficit Swelled Again Last Year

BEIJING—China's budget deficit hit a record 20.26 billion yuan (\$3.7 billion) in 1991, the government reported Saturday. Finance Minister Wang Bingqian, who has already announced a projected 1992 deficit of 20.78 billion yuan, blamed the 1991 over-spending on the cost of heavy summer flooding and on investment in the state grain reserve and key construction projects, the official Xinhua news agency reported. "Loose management, expenses for over-staffed departments, sightseeing and banquets with public funds, too many subsidies and benefits are also the causes of the deficit," Mr. Wang said in his report of final financial figures for 1991. The finance minister added that state-run enterprises were continuing to rack up debts and were failing to pay the central government all of the taxes and profits they owed.

WORLD STOCKS IN REVIEW

Amsterdam

Prices slipped in quiet trading on the Amsterdam market. The CBS all-share index lost 3.1 points, or just over 1 percent during the week, to close at 206.2 on Friday. Turnover declined. Analysts said the weakening dollar put pressure on the stock prices of major Dutch-based international companies. The Kempen & Co. brokerage said stocks probably would continue to slide in the absence of positive company news or movement in interest rates.

Frankfurt

The market suffered its fourth straight weekly loss. The DAX spot-trend index lost 18.76 points on the week, to finish at 1,754.13 on Friday. The Commerzbank indicator shed 26.2 points to end at 1,966.7. Volume was low, and analysts said that what had been expected to be a short consolidation period had

stretched out because of the strong growth of the money supply, and the weakness of the Tokyo market and fluctuations on Wall Street. Analysts were not optimistic for the next few weeks, seeing at best stabilization at current levels. Auto stocks lost heavily, with Daimler off 35.50 Deutsche marks to 764.50, BMW down 18.80 to 595 and VW off 16.10 to 386. In chemicals, Hoechst was off 2.10 to 253.90 and Bayer fell 3.30 to 283.30.

Hong Kong

Hongkong & Shanghai Banking Corp.'s successful takeover of Britain's Midland Bank gave share prices a sharp boost. The Hang Seng Index gained 325.50 points, or 5.6 percent on the week, to close Friday at 6,113.10. The market rose every day of the week, surpassing 6,000 points on Thursday for the first time in a month. Trading was very active. The bullish sentiment was fueled by anticipation of Friday's announcement that Hongkong Bank had secured acceptance for 73.9 percent of Midland Bank stock, closing the three-month takeover bid. Hongkong Bank stock gained 2.50 Hong Kong dollars during the week to close at 48.00. Another large merger was Jardine Matheson, up 3.00 dollars to 65.50.

30 shares dropped 42.7 points to 1,963.9. Trading was volatile in an uncertain market. Dealers were disappointed by official figures Wednesday showing Britain still in recession, with the gross domestic product falling 0.5 percent in the first quarter. Wellcome Trust announced its intention to sell 38.4 percent of Wellcome PLC's stock for about £3 billion. Shares in the pharmaceutical company, best known for Retrovir, an AIDS treatment, fell 38 pence, or 4.1 percent, to 887 pence.

Milan

Stock prices fell to their lowest levels of the year. The MIB index lost 17 points, or 1.83 percent, to close the week at 909. Volume fell. Analysts said foreign and local investors were worried about the Italian economy, as the budget deficit grew in the absence of a government. Among blue chips, De Benedetti group issues bucked the losing trend. CIR gained an impressive 6.32 percent and Olivetti put on 4.43 percent after the computer company announced a tie-up with Digital Equipment Corp. Montedison lost 2.33 percent.

Paris

The Bourse posted marginal gains in light and directionless trading. The CAC-40 index added 1.39 points, or 0.07 percent, to close the week at 1,915.31. The June trading month ended with a loss of 6 percent. Analysts said uncertainty had taken hold of the Bourse in the absence of fresh incentives. Investors were also keeping a wary eye on the weak Tokyo market, they said. The FT-SE 100 Index lost 50.7 points, or 1.96 percent, during the week, to close at 2,534.1 points on Friday. The FT-Ordinary index of

Singapore

The poor performance of the Tokyo stock market drove prices lower in Singapore. The Straits Times Industrial Index failed to crack the 1,500-point barrier and finished the week 6.28 points lower at 1,492.69. The All Singapore Index fell 3.45 points to 402.03. Total turnover was down about 30 percent. Analysts said sentiment was likely to remain weak in the near term and that investors were likely to look toward the performances of overseas markets before taking up new positions.

Tokyo

Prices tumbled, and the Nikkei average slipped below 16,000 points to its lowest level in almost six years. The Nikkei lost 704.14 points, or 4.3 percent, to close Friday at 15,812.73, its lowest level since Oct. 22, 1986. The composite Tokyo Stock Price Index shed 35.82 points. Turnover fell, with institutional investors staying away from the market amid increasing uncertainty about the bottom for the Nikkei. Analysts blamed much of the fall on futures-related arbitrage selling.

Zurich

The market closed lower in lackluster trading. The Swiss Performance Index lost 14.8 points, or 1.25 percent, to end the week at 1,163.25. Turnover was modest. Bank stocks were lower. Union de Banques Suisses lost 180 Swiss francs to 3,530, Swiss Bank Corp. shed 13 to 251 and Credit Suisse lost 75 francs to 1,735.

BUSINESS BRIEFS

G-7 Is Urged to Unlock GATT Talks

GENEVA (Reuters)—A group of farm exporting countries appealed on Sunday for the Group of Seven industrial nations to use next week's Munich summit meeting to break the deadlock in world trade talks. The appeal came after ministers and senior officials of nations in what is called the Cairns group held a two-day emergency meeting in Geneva. The group includes such big exporters as Argentina, Australia and Canada. "The Uruguay Round is in crisis as a result of the continued deadlock on agriculture. There are grave fears that the round will fail unless a breakthrough on agriculture is achieved in coming weeks," the Cairns group said. It said the G-7 leaders must demonstrate "their leadership and their joint responsibility to unblock the negotiations."

U.K. Grant for Maxwell Pensioners

LONDON (Reuters)—The British government said Sunday that thousands of retired Britons whose pensions were plundered by the late Robert Maxwell would receive their monthly payment in full in July. Peter Lilley, the social security secretary, said that grants would be made to 4,000 people in the Maxwell Communication Corp. Works Pension Scheme and another 240 in a separate pension plan. Mr. Lilley did not disclose the value of the grants but said the money would come from an emergency funding program of £2.5 million (\$4.7 million) announced by the government on June 8. Investigators say Mr. Maxwell stole as much as £450 million from pension funds.

Azerbaijan Currency Starts in July

MOSCOW (Reuters)—Azerbaijan is to introduce its own currency, the manat, for use in tandem with the ruble, according to Turan, the national news agency. The agency said Saturday that the first manat banknotes, printed in France, could be in circulation in the former Soviet republic by mid-July. The agency said one manat would initially be worth 10 rubles. The agency quoted the first deputy finance minister, Tofik Guseynov, as saying the new currency would help offset cash shortages of 2 billion rubles (\$20 million). These shortages meant banks might have to pay salaries with the new currency by the second half of July, he said.

Selangor State Plans Marine Park

KUALA LUMPUR (Reuters)—Malaysia plans to start a 1.1 billion ringgit (\$438 million) marine park to attract Japanese and South Korean shipbuilding and repair companies, government officials said. The park, in the central Malaysian state of Selangor, will also house manufacturers of boat and ship components, the Selangor chief minister was quoted by the New Straits Times newspaper on Sunday as saying.

Hughes Aircraft Sees More Layoffs

LOS ANGELES (Reuters)—Hughes Aircraft has eliminated 3,000 jobs already this year as military contracts dwindle, and expects even more layoffs by the end of the year, a company spokesman said. Richard Dore said Saturday he could not confirm a figure of 700 further job losses at Hughes, a unit of General Motors Corp., that was published in the Los Angeles Times. The paper also said that eventually as many as 6,000 more positions might be lost as Hughes consolidates its own missile operation with that of General Dynamics, which unit Hughes is acquiring for \$450 million.

For the Record

The European Bank for Reconstruction and Development will lend 50 million European currency units (\$66 million) to Bulgaria to modernize its telecommunications network, and another 50 million Ecu to help repair roads, said the EBRD president, Jacques Attali. (AFP) Export-Import Bank of Japan will lend 700 billion yen (\$5.5 billion) to China to help finance oil development and coal mining projects, Tokyo's Nihon Keizai newspaper said. (Bloomberg)

Malaysia Seeks Rubber Trading Link

KUALA LUMPUR—The Kuala Lumpur Commodity Exchange wants to link its rubber trading with Singapore's RAS Commodity Exchange as part of a plan by producers to create a central rubber market, officials of the Malaysian exchange said. "The linkup is possible, but we have to work out the details," Syed Jabbar Shahabuddin, chief executive of the Kuala Lumpur exchange, said Saturday after the exchange's annual meeting. At a recent meeting in Singapore, major rubber producers proposed the creation of a central rubber exchange in Southeast Asia for more accurate pricing. Kuala Lumpur Commodity Exchange officials also said they had started a subsidiary, Kuala Lumpur Futures Market Sdn., to deal in stock-index and financial-futures trading. The unit plans to trade in stock-index contracts as soon as it wins a government license. The exchange has proposed trading in the Kuala Lumpur Stock Exchange composite index. The Kuala Lumpur Commodity Exchange, hit by defaults in 1984, currently trades only primary commodity futures.

Euromarkets At a Glance

Euromarket Yields

Table with columns for currency, yield, and date. Includes entries for U.S. \$ 90 days, U.S. \$ 180 days, U.S. \$ 360 days, etc.

Weekly Sales

Table with columns for market, sales, and date. Includes entries for Primary Market, Secondary Market, and Libor Rates.

Libor Rates

Table with columns for rate, 1-month, 3-month, and 6-month. Includes entries for U.S. \$, Deutsche mark, Pound sterling, etc.

EC: A Fractured Community Faces a 'Grueling Marathon' as It Tries to Hold Itself Together

(Continued from page 1) specific, more precise language," said Gianni De Michelis, the Italian foreign minister. While the fighting continued in Bosnia-Herzegovina, however, most of the arguing among EC leaders focused on their increasingly bitter dispute over how much to contribute in assistance for the poorest four members of the Community: Portugal, Spain, Ireland and Greece—supported by the EC Commission—pressed for a commitment to double the funds going to structural aid over the next few years. Leaders of the biggest and richest EC nations, however, dragged their heels on making any specific promises on the size of the package they were willing to offer to poorer countries. The assistance is supposed to help the less-advanced nations increase living standards and bring their economies into line with the tough entry requirements for the planned currency union. Chancellor Helmut Kohl of Germany was described by diplomats as the most vocal of the leaders refusing to pledge more aid, arguing that a commitment now could undermine support for the Maastricht agreement in the richer countries. Mr. Major and President François Mitterrand of France lined up with Mr. Kohl. So leaders were able to agree only on a statement of the lowest common denominator: the next budget, which would be set for either five or seven years, starting in 1993, and which would lead to an "appropriate" increase in support, they said in their final communiqué. Felipe González, the Spanish prime minister who had pressed hardest for the pledge to help the four poorest nations of the Community, described the outcome as unsatisfactory and said he was disappointed by the intransigence of the more affluent countries. Even the long-running competition over where to locate future EC institutions, such as the planned European central bank, degenerated into a public brawl, blocking any agreement. "Britain said it was not ready to take a decision," said João de Deus Pinheiro, Portugal's foreign minister. "It was a ridiculous argument." One of the few problems the leaders of the EC managed to resolve in Lisbon was to extend the tenure of Jacques Delors as president of the EC Commission for two years beyond his present term. He would serve to the end of 1994, five months before the scheduled French presidential election. But Mr. Delors, long identified with the closer integration of the Community, was given new marching orders to curb some of the EC's more intrusive activities. As part of their campaign aimed at soothing public fears sparked by the Danish vote, leaders even promised to review existing legislation to determine whether any such rules may be unnecessary. Chancellor Kohl, picking up on a theme long popular among British politicians, acknowledged that many Europeans now worry about "a monster of a supranational bureaucracy" in Brussels. "Clearly we do not want this at all," he said. "We were all agreed that the Community must come closer to the citizens of Europe." While Mr. Delors agreed with the criticism, saying that he has long been "a little worried about excess technocracy and elitism in the building of Europe," he also said that the commission he heads had frequently "become the scapegoat" for actions actually advanced by EC member nations. EC leaders managed to agree, as well, that most of the blame for the stalemate in the GATT trade talks now rests on the United States. Saying they had demonstrated their willingness to compromise by agreeing on an overhaul of the EC's Common Agriculture Policy, they now called on "all parties to the negotiation to show similar flexibility."

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MONDAY SPORTS BASKETBALL

سكان من الأحرار

U.S. Team Scorches Cubans, 136-57, in Americas Opener

PORTLAND, Oregon — The Dream Team welcomed the world to its nightmarish Sunday in the Tournament of the Americas, the Olympic qualifying competition.

Larry Bird's 3-point shooting, Charles Barkley's inside strength and Magic Johnson's needle-sharp passing lived up to the team's billing as basketball's greatest ever in a 136-57 victory over Cuba.

The score was 27-9 after eight minutes, 45-20 after 13 — with the Americans outbounding the Cubans 15-3 — and 67-27 at halftime as Bird hit his third 3-pointer of the first half with 4.3 seconds left.

Barkley scored 22 points, Clyde Drexler 20, Bird 17 and Karl Malone 16 for the Dream Team. Leonardo Perez, who had 22 points in Cuba's victory over Canada Sunday, finished with 13.

Johnson, whose Most Valuable Player performance in the NBA All-Star Game was his only other game appearance since retiring from the Los Angeles Lakers on Nov. 7, finished with 4 points and nine assists, eight of them in the first half. John Stockton was the chief playmaker with 12 assists.

The Dream Team outbounded the Cubans 41-25. Despite the loss, Cuba is still in good shape to reach the quarterfinal round in Group A. The Cubans beat Canada, 79-78.

The U.S. team plays its second game in the Olympic qualifying tournament against the Canadians on Monday night. Victories over Canada, Panama and Argentina in consecutive games would automatically advance the United States into the semifinal round and one of four Olympic berths allotted to the tournament.

Bird, Barkley, Johnson, David Robinson and Michael Jordan were the opening-game starters. Coach Chuck Daly brought in five new players — Stockton, Malone, Drexler, Chris Mullin and Scottie Rippen — with the score 27-9.

only college player on the Dream Team, as the last substitute. He fit in nicely, scoring 7 points in six first-half minutes.

Jordan, who has won the NBA scoring title six consecutive years, kept a low profile, remaining scoreless until his steal and dunk with 47 seconds left in the first half.

Daly, with no players to slow down the onslaught, saw four members of the "second unit" start the second half by outscoring the Cubans 33-7 for a 100-34 lead with 12:11 remaining.

Earlier, David Aldridge of the Washington Post reported: "It took about 10 seconds for Coach Daly to decide on the co-captaincy for the team — 'the elder statesman role,' as he put it.

Though they'd never say so, Johnson and Bird, who competed against each other in college and joined the NBA in the same year, in 1979, would have keeled over if it had not turned out that way.

"We're going to do it," Johnson said. "We've accepted that role. And the guys have accepted it. We've been there more than anybody. If you combine all of our experiences, that's 14 world championships we've played in. You add up all the other guys together and they can't come close to the experience. That's what it is. They're looking to us for that leadership."

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Magic Johnson, holding the U.S. flag, said the opening ceremonies for the Tournament of the Americas were a "great experience."

Danes Put Sport Back Into the Sport

Team Unity Proved the Winning Combination for European Champions

LONDON — Denmark's inspired, surely lifted the soul of soccer and sport.

The morning after, indeed three mornings after, it still defies logic and sends a quiver down the spine. It fulfills the raison d'être of games, rewarding players who, whatever the resources stacked against them, enter the arena to win.

Denmark had an old-fashioned nothing-to-lose mentality, rather than a modern win-at-all-costs attitude. Indeed, Friday's foul play — "ruff," as the word translates into Swedish — was the cynical hacking by Germans, two of whose yellow cards should have been red.

Richard Moller Nielsen, the manager who began this tournament disliked by his own players and ended up with their respect for his orchestration, spoke of having work as the key to it all.

Each of us there, except the Germans, unashamedly abandoned neutrality to will the Danes to beat the world champion. I, for one, had an ulterior motive. I dreamed of German nationalism in Rome two years ago when the vile chants were more Hitlerian in concept than joy in 11 men forming the world's top team with a ball.

On Friday, Germany's manager, Bert Vogts, sportingly touched Moller Nielsen's cheek at the moment he conceded the championship. This lingering affection between a man who expected to win but didn't, and a conqueror who could hardly digest his luck, put the sport back into sport.

Vogts, undoubtedly aching inside, displayed grace in defeat. We should grasp this, though the German press, having handed Vogts a porcelain pig for good luck before the final, will by now be like gadding swine to condemn him.

Why must this be? Why do we need scapegoats for losing a soccer game? It is legitimate to remember that Denmark came here to replace Yugoslavia excluded because of atrocities in Sarajevo. It is borderline to equate Danish football mentality to the Maastricht rejection. It is unacceptable to perceive sporting prowess as evidence of a superior race.

For most people, Denmark's victory is the best thing that could have happened to soccer. Though the Danes took out the most artistic team in the tournament, the Dutch, they gave us a once in a lifetime surprise.

While fireworks and flairs lit up the Copenhagen skyline, a policeman in Copenhagen reportedly parked his motorbike, strode through the celebrating masses, and in full leathers and helmet threw himself into a fountain.

The Danes had suspended reality. If he was on duty the next day when Denmark's team toured from Copenhagen airport to the town hall, this cop might have felt the urge to halt the bus at H.C. Andersen Boulevard and hold the dream right there in a time lock.

It wasn't fantasy, we know that. We saw how hard, how ferociously hard these Danes ran and tackled for their prize.

It wasn't, in this world of sporting suspicion, drug induced, for there is nothing known to man or chemist that can reach the

Danes Put Sport Back Into the Sport

Team Unity Proved the Winning Combination for European Champions

On Thursday, while the Germans were running free and bickering among themselves to fill the time, only nine Danes were fit to train, eight were on the treatment table, including John Sivbeck and Kent Nielsen.

Another two, the leading goalscorer Bent Christensen and the powerhouse winger Henrik Andersen, were in hospitals undergoing knee surgery. And the final player, the one who was to personify Denmark's brave turning of adversity into the spark of achievement, was Kim Wilfort.

Wilfort, like most ordinary men, is a father first, a company man second. He was depressed to be at the bedside of his sick child, Line. The girl herself, and her brother, wanted Daddy to win the cup, to be a super hero. And so he was, flying in from the cancer ward to score this tournament's last goal.

His midfield partner, John Jensen, supposedly in pain from an abductor muscle tear, scored the final's other goal, a stunning right foot rocket that ridicules the fact that Jensen had not scored in 44 internationals.

Jensen is a marvellous performer, but not as much, as surprise Henrik Larsen, whose experience with Pisa in the Italian league had been brief. He was loaned back last winter to Lygby, and was left out at times even there.

Yet while the giant goalkeeper Schmeichel, and the tricky, speedy front dnet Brian Laudrup and Flemming Povlsen have taken the plaudits, the relentless, selfless sharp tackling and accurate passing of Jensen, Wilfort and Larsen helped Denmark to dominate Europe's best.

Those three picked up Germany's playmaker Häßler wherever he roamed from Christofte. There you have the Danish essence, the unity of team ethic.

In exposing France as temperamental artists, in swiftly plundering the slow Dutch flanks, in riding their luck before grinding down the industrious German machine, Denmark proved indisputably this summer's European champion.

But Danes turned disadvantage to advantage. They hastily recalled players from summer houses, and Moller Nielsen's excuse for not painting the kitchen was that he was busy throwing together a team to rule Europe.

Not every player answered the call. Those who did were unbored by the numbing boredom of long training camps. And, asked minutes after the triumph, if this was a one-night stand, Moller Nielsen replied: "Tonight we are winners, but it is like the snow that fell last winter, it goes and you wait to see when the next fall comes."

The reported disciplinarian manager melted into a smile. His emotion was spilling over, and expecting him to think of an encore was like asking the traffic cop to stop his bath in the Copenhagen fountain.

Rob Hughes is on the staff of the Sunday Times.

Brazil Routs Puerto Rico in Opener

PORTLAND, Oregon — The Tournament of the Americas got under way with a huge victory for Brazil.

The South Americans opened the 10-team Olympic qualifying competition with a 95-72 victory over Puerto Rico in the game most observers felt would be the best of the eight-day tournament that will send four teams to the Barcelona Games.

"Our object here is to get to Barcelona and we want to be first in our group so we don't have to get into the final pool," Coach Jose Modesta said. "Our defense was very good and when you play good defense against Puerto Rico, you have a good chance of winning."

The No. 1 team in each of the five-team pools advanced to the semifinals and the Olympics. The second- and third-place teams have to play in a quarterfinal round to earn the berth.

"If we had won today's game we'd be in much better shape, but we still have confidence," said Puerto Rico's coach, Raymond Dalman. "I still have confidence in my team. We just have to be better prepared."

There is little any team in the other pool can do to prepare for the United States, a team laden with as much talent as has ever been assembled on one roster. The U.S. team was to open play Sunday against Cuba.

Brazil blew things open in the second half with solid man-to-man defense that held Puerto Rico to 27 points on 10-for-38 shooting.

Oscar Schmidt was high-scorer for Brazil, which led 46-45 at halftime, with 24 points and nine rebounds, while Manry Souza had 10 points and 18 assists.

"In the first half we suffered greatly having to play in the morning," Schmidt said of the 10 A.M. start. "At halftime we talked about getting the fire going inside us."

Jose Ortiz, the Pac-10 player of the year in 1987 at Oregon State, led Puerto Rico with 26 points and 11 rebounds.

ports of muscle and brain and heart to make performers three times in the space of a week play above themselves and above the injuries they carried to eliminate France, the Netherlands and Germany.

The German team had a flawed defense, a wobbly goalkeeper and worthy successor to the great libero Franz Beckenbauer who was watching along with Pelé in the stands. It had no leader, in the mold of the injured Lothar Matthäus, to cope with the astonishing high speed, high adrenaline Danish style.

Even Germany's inspiration up the final, the impressive little Tom Thumbe soccer Thomassen Häßler, could not shake free. His marker, Kim Christofte, had, as Moller Nielsen said, smothered Häßler down the right side.

"Christofte is a clever player," enthused Moller Nielsen. Indeed Christofte, who plays for Brøndby while studying for a university degree, clearly is endowed with more between the ears than most pro players.

But at 31, he had not been asked to represent his country 10 times before this championship. Like most of the Danish team, his final was a triumph of mind over sore body.

Both of Christofte's legs were being massaged for strains, bruises and muscle tension

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, June 26.

Table with columns for OTC Consolidated trading for week ended Friday, June 26. Includes sub-sections for (Continued), (A), (B), (C), (D), (E), (F), (G), (H), (I), (J), (K), (L), (M), (N), (O), (P), (Q), (R), (S), (T), (U), (V), (W), (X), (Y), (Z), and V Bond.

Table with columns for Sales in 100s High Low Close Chgs. Includes sub-sections for P, Q, R, S, T, U, V, W, X, Y, Z.

Table with columns for Sales in 100s High Low Close Chgs. Includes sub-sections for A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

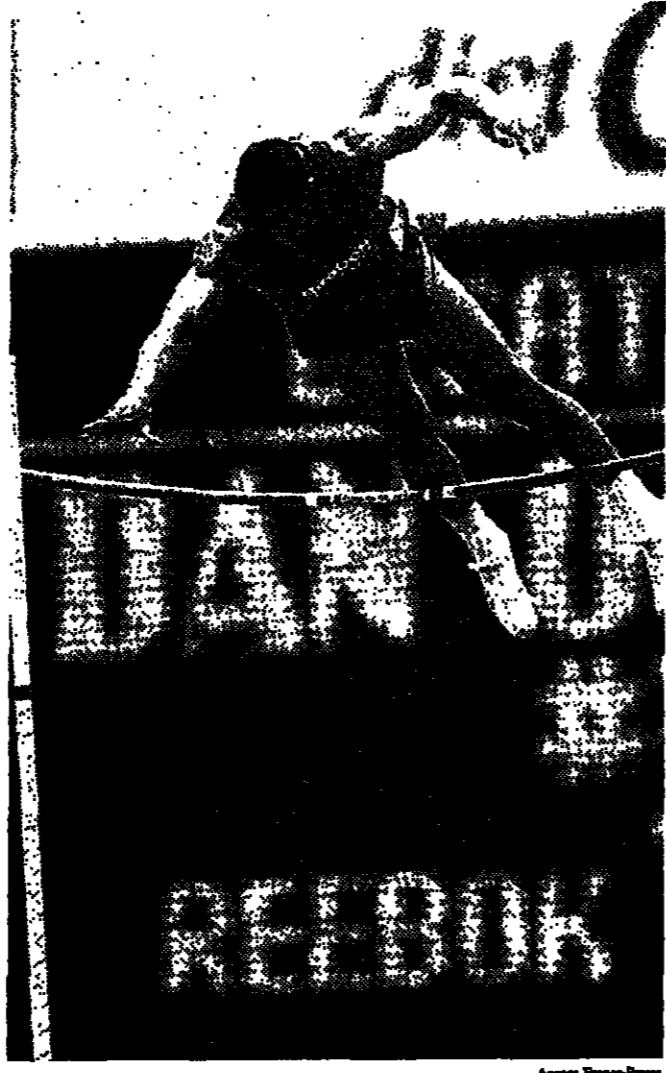
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MONDAY SPORTS TRACK

Decathlete O'Brien Fails to Make Team

Pole-Vault Misses Fell World Titlist

By Frank Litsky New York Times Service NEW ORLEANS — Forget the Dan and Dave Show at the Barcelona Olympics...



Dan O'Brien hit the pole on his second attempt at 15 feet, 9 inches, and then missed it a third and final time to drop out of contention.

points and won the competition. Had he cleared only 9-2 1/4, he would have earned enough points to make the team.

Stulce and Hughes Shine Mike Stulce, who returned from a drug suspension this year, won the shot put at 70-5 1/4, the second-best in the world this year...

American record-holder, in their first two meetings ever. Johnson won their quarterfinal heat in 20.49, with Lewis second in 20.57...

IAAF Lifts 4-Year Ban on Krabbe

Compiled by Our Staff From Dispatches LONDON — The German sprinter Katrin Krabbe was cleared Sunday to run in the Barcelona Olympics...

Her German lawyer, Reinhard Ramball, said he had been confident the three-member panel would uphold the German legal commission's decision.

"In fact, on the plane coming over I had the choice of water or champagne," he said. "I ordered champagne."

Reynolds a Nonqualifier for Olympic 400

Compiled by Our Staff From Dispatches NEW ORLEANS — Butch Reynolds, the world record holder, failed to back up his court victories with success on the track...

run on the 1600-meter relay team. "Right now, I guess I'm going to Barcelona," he said.

supports the IAAF position. "We have confirmation in writing from the IOC that no athlete who is disqualified will be allowed to run in Barcelona," he said.

SCOREBOARD

BASEBALL

Major League Standings

Table showing Major League Standings for American League and National League, including teams like Toronto, Baltimore, Milwaukee, New York, Boston, Detroit, Cleveland, Oakland, Minnesota, Texas, Chicago, California, Kansas City, Seattle, Pittsburgh, New York, St. Louis, Chicago, Montreal, Philadelphia, Cincinnati, Atlanta, St. Louis, San Francisco, Houston, Los Angeles.

Baseball Results

Table showing baseball game results, including matchups like Toronto vs Boston, Baltimore vs Milwaukee, New York vs New York, Boston vs Detroit, Cleveland vs Oakland, Oakland vs Minnesota, Texas vs Chicago, Chicago vs California, Kansas City vs Seattle, Pittsburgh vs Pittsburgh, New York vs St. Louis, St. Louis vs Chicago, Montreal vs Philadelphia, Cincinnati vs Cincinnati, Atlanta vs Atlanta, St. Louis vs San Francisco, Houston vs Houston, Los Angeles vs Los Angeles.

Baseball Results

Table showing baseball game results, including matchups like Milwaukee vs Toronto, Boston vs Baltimore, New York vs New York, Detroit vs Boston, Oakland vs Cleveland, Minnesota vs Oakland, Chicago vs Texas, California vs Chicago, Seattle vs Kansas City, Philadelphia vs Montreal, Cincinnati vs Cincinnati, Atlanta vs Atlanta, San Francisco vs St. Louis, Houston vs Houston, Los Angeles vs Los Angeles.

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BASKETBALL

Olympic Qualifying Games

Table showing Olympic Qualifying Games results, including matchups like Turkey vs Sweden, Bulgaria vs Finland, Czechoslovakia vs Slovenia, Czechoslovakia vs Slovenia, Turkey vs Turkey, Sweden vs Sweden, Bulgaria vs Bulgaria, Finland vs Finland, Slovenia vs Slovenia, Spain vs Spain, Italy vs Italy, Greece vs Greece, Germany vs Germany, France vs France, Australia vs Australia, Canada vs Canada, Korea vs Korea, Japan vs Japan, Cuba vs Cuba, Venezuela vs Venezuela, Uruguay vs Uruguay.

BASKETBALL

European Tournament

Table showing European Tournament results, including matchups like Turkey vs Sweden, Bulgaria vs Finland, Czechoslovakia vs Slovenia, Czechoslovakia vs Slovenia, Turkey vs Turkey, Sweden vs Sweden, Bulgaria vs Bulgaria, Finland vs Finland, Slovenia vs Slovenia, Spain vs Spain, Italy vs Italy, Greece vs Greece, Germany vs Germany, France vs France, Australia vs Australia, Canada vs Canada, Korea vs Korea, Japan vs Japan, Cuba vs Cuba, Venezuela vs Venezuela, Uruguay vs Uruguay.

TENNIS

Wimbledon

Saturday's Third Round Results Andrei Olhovskiy, Russia, def. Jim Courier (1), U.S., 6-4, 6-4, 6-4; Guy Forget (9), France, def. Henri Lacoste, France, 7-6 (7-6), 6-3, 6-2; Wayne Ferreira (14), South Africa, def. Luis Herrera-Mercader (7) (7-6), 6-1, 6-4; Jeremy Bates, Britain, def. Thierry Champion, France, 7-6 (6-7), 6-4, 6-4; Christian Skocenski, Germany, def. Jakob Hlasek, Switzerland, 7-6 (7-6), 3-6, 6-3, 6-3; Boris Becker (4), Germany, def. Bryan Shelton, U.S., 6-4, 3-6, 7-6 (7-6), 7-6 (7-6); Andre Agassi (1), U.S., def. Dennis Raskin (14), U.S., 6-3, 7-6 (7-6), 7-6 (7-6); John McEnroe, U.S., def. David Wheaton (14), U.S., 6-3, 6-4, 6-4.

TENNIS

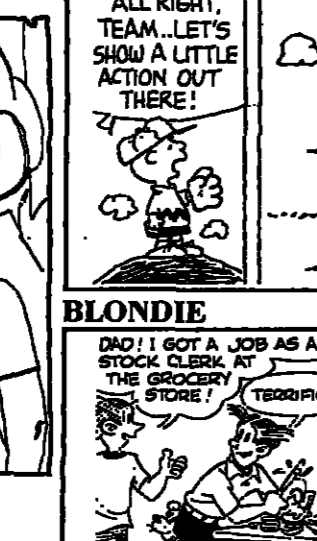
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PEANUTS



BLONDIE



BEETLE BAILEY



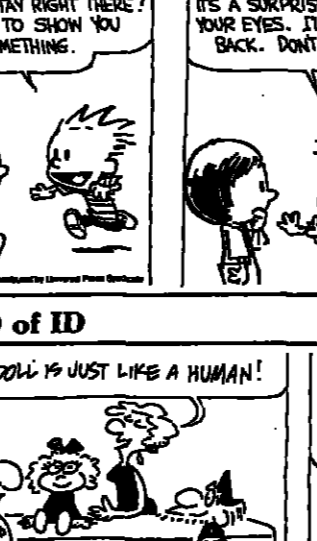
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MONDAY SPORTS BASEBALL

هكزامن الاحول

Hypnotizing Mr. McEnroe

Wimbledon May Be His Again — If Only He'll Believe

By Ian Thomsen
International Herald Tribune
WIMBLEDON, England — Good morning today, Mr. McEnroe. I must say, you've been quite timely for my appointment. I've been reading about you in the papers. We seem to be making quite a good run, aren't we?

Very good. I am now going to be nasty, Mr. McEnroe, when I hear you sing. I am led to wonder how a hippopotamus might react to its first enemy...

Yes, I know we said that you are 23 years of age now... Well, of course it isn't possible to remain 23 years old over a period of 10 years...

Or a moron, for that matter... This is a warning, Mr. McEnroe. Mr. McEnroe, if this tantrum does not end, I myself will drive you down to the offices of the daily Sun and order you to striptease in front of its photographers...

Thank you. If you will allow, I shall endeavor to make myself clear. You are 33 years old, yes. But for some reason, quite suddenly, you are playing as if you were 23.

On Saturday, David Wheaton hit a volley behind you, and I saw you change direction — shoulders first, then your feet — to somehow place your racket on the ball. It was a shot from your prime.

The point is, John, that you can recall the abilities of your youth, that you can marry those abilities to your maturity, that you can become for this one week as great as you ever have been, and the people will love you for it. All has been forgiven. You carry the greatest hopes for this tournament. You've seen what Jimmy Connors has done. In your moments of weakness, as long as you don't antagonize the fans, their support can carry you through. But it can only happen if you believe. You must believe.

Yes, you understand. Very good. Now, before you wake up, if you will please sign the ball.



Jim Courier never managed to find an answer to Andrei Olhovskiy.

No. 1 Courier Sets Wrong Sort of Mark

By Robin Finn
New York Times Service
WIMBLEDON, England — Jim Courier may have attempted to downplay his third-round loss to a player whose own coach describes him as a virtual nobody, but the Florida made the wrong sort of Wimbledon history by becoming the first top-seeded player in the Open era to lose to a qualifier.

Halfway to a Grand Slam, coasting on a 25-match winning streak, and invincible in the last 15 Grand Slam confrontations, the Courier victory machine inexplicably broke down Saturday afternoon on Wimbledon's Centre Court.

Courier, the No. 1 player in the world, couldn't find an answer to the timely serve-and-volley punch of Andrei Olhovskiy, a 193rd-ranked qualifier who somehow mastered fast-paced tennis by playing on plastic and wooden courts back home in Moscow as a teenager.

Olhovskiy's 6-4, 4-6, 6-4 demolition of Courier, whose peers voted him most likely to succeed in his pursuit of a 1992 Grand Slam, brought that campaign to a screeching halt.

Olhovskiy's next obstacle is formidable in his own right, a former No. 1 and a three-time champion here: John McEnroe, who improvised to his heart's content and upset a 1991 semifinalist, David Wheaton, 6-3, 6-4, 6-4.

McEnroe, unseeded for the first time since his smash 1977 debut as a qualifier, said he had good reason to view Olhovskiy as a danger. "If he can beat Jim Courier, he can beat me," said McEnroe, who remains the only qualifier to reach the semifinal of any Grand Slam.

Courier, who lost his chance to become the first man to win all four Grand Slams in a calendar year since Rod Laver in 1969, said: "Some days you win, some days you lose, and some days it rains, but it didn't rain today. The bottom line is I played as hard as I could and I got outplayed."

The Moscowite reached the third round last year before losing to Boris Becker. In 1988 he posted his career-best singles showing in a Grand Slam with a fourth-round loss to then-defending champion Pat Cash.

Andre Agassi, though forced to endure a second set breaker, defeated Derrick Rostagno, who assisted the 12th-seeded American to a 6-3, 7-6 (7-5), 7-5 victory by doublefaulting at match point.

Bryan Shelton put up a stronger fight but ultimately committed that identical mistake in a fourth-set tie breaker against fourth-seeded Bo-

Ryan Finally Wins One As Rangers Stop Tigers

Compiled by Our Staff From Dispatches
Nolan Ryan finally won, pitching seven shutout innings Sunday for his first victory of the season as the Texas Rangers beat the Tigers, 8-4, in Detroit.

Ryan won for the first time in 14 starts since last Sept. 25, a span that included 12 starts this year. His drought of 13 starts without a victory matched the longest of his career, although four times this season he was left with a lead and wound up with a no-decision.

Ryan earned his 315th career victory, and moved past Gaylord Perry for 13th place on the all-time list. Ryan, 45, was on the disabled list for three weeks in April and has been nagged by injuries since then.

He scattered five singles, struck out seven and walked three. The crowd of 42,394, the biggest at Tiger Stadium since opening day, gave Ryan a large ovation as he returned to the dugout after a perfect seventh inning.

Texas added two runs in the eighth for an 8-0 lead. Detroit scored three runs in the eighth against Terry Mathews and Danny Leon and once in the ninth against Jeff Russell. Cecil Fielder drove in three runs for the Tigers.

Brewers 9, Red Sox 3: In Boston, Dante Bichette got four hits, drove in three runs and scored four times as Milwaukee defeated Boston.

Bichette had his third four-hit game of the season and Kevin Seitzer and B. J. Surhoff each had three of Milwaukee's 15 hits. The Brewers avoided being swept in the three-game series and sent Boston to its eighth loss in 10 games.

the bases and Wingham lined the first pitch over drawn-in left fielder B.J. Surhoff.

Indians 7, Blue Jays 6: In Cleveland, pinch-hitter Paul Sorrento hit a two-run homer off Duane Ward in the eighth inning to give Cleveland its second straight victory after a six-game losing streak.

Steve Olin got the win despite giving up a home run by Jeff Kent that put the Blue Jays ahead 6-5 in the top of the eighth. Eric Flunk pitched the ninth for his first save.

Alex Cole started Cleveland's eighth with a walk and moved to second on a sacrifice before Sorrento to hit his seventh home run.

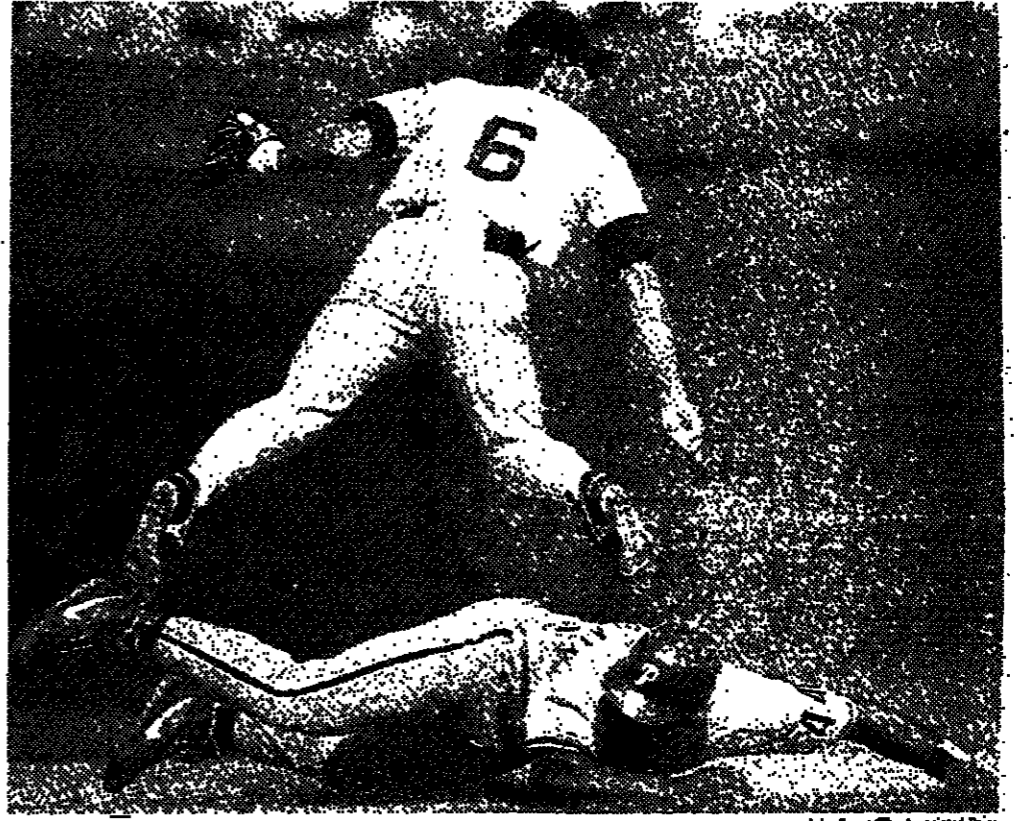
Royals 9, Orioles 2: Gregg Jefferies had four hits and Wally Joyner and Jim Eisenreich drove in three runs in Baltimore to lead Kansas City to victory.

The Royals roughed up four Orioles pitchers for a season-high 19 hits in routing the Athletics in Oakland, California. Minnesota has won 9 of its last 11 games.

Yankees 8, White Sox 7: Charlie Hayes' RBI single off Bobby Thigpen with two out in the ninth in New York ended Chicago's six-game winning streak.

The Yankees, who recovered from an early 5-0 deficit, started the game-winning rally when Don Mattingly singled with one out off Scott Radinsky. Wally Tartabull followed with a walk, and one out later, Thigpen relieved. Hayes then won the game with a single.

Rangers 10, Tigers 8: In Detroit, Kevin Reimer and Ivan Rodriguez hit home runs on consecutive pitches, capping a six-run second inning and leading Texas past Detroit.



After forcing out the Phillies' Wes Chamberlain, the Cubs' Rey Sanchez went for the double play.

Barnes and Expos Blank the Pirates, 9-0

The Associated Press
Brian Barnes pitched five-hit ball for 8 1/2 innings and Larry Walker hit two home runs as the Expos defeated the Pittsburgh Pirates, 9-0, on Sunday in Montreal.

Barnes gave the Expos their first win by a fifth starter since April 26 when Chris Haney beat St. Louis. Mel Rojas got the last two outs to finish the combined five-hitter.

The loss snapped a personal six-game winning streak by Pirates starter Randy Tomlin, who gave up five runs in six innings. Tomlin lost to an NL East opponent for the first time in nine decisions.

Walker's solo homer in the second inning gave the Expos a 1-0 lead. Bret Barberie's RBI single following a double by Spike Owen made it 2-0 in the fifth.

Marquis Grissom hit an RBI single and Melvin Alon followed with a two-run homer in the sixth.

The Expos made it 9-0 in the eighth off Denny Neagle when Alon hit a two-run double and Walker hit his 13th homer, a two-run shot.

Montreal took two of three games in the weekend series. Cubs 5, Phillies 3: In Chicago, Frank Castillo pitched four-hit ball for 8 1/2 innings and Ryne Sandberg

doubled home two runs to put Chicago over Philadelphia.

It was the third victory in the last four games for the Cubs, and the third win in the last four decisions for Castillo. Castillo walked none and struck out three before Paul Assenmacher got the last out for his fourth save.

John Kruk and Darren Daulton led off with successive doubles in the second inning and Castillo retired the next 16 batters before Kruk hit his fifth homer with one out in the seventh. Dave Hollins hit his 10th homer in the ninth.

The Cubs took the lead with three runs in the third, then added a pair in the fourth.

Reds 6, Braves 5: In Cincinnati, Chris Sabo drove in three runs, including the tie breaker with an eighth-inning single, as Cincinnati swept Atlanta for the second time this season.

Cincinnati scored three tainted first-inning runs to end Tom Glavine's invincibility at Riverfront Stadium — he had won all eight career starts there — then rallied for the victory after Atlanta tied it at 4 in the top of the eighth.

In games played Saturday: Astros 5, Dodgers 1: In Los Angeles, Rookie Brian Williams pitched no-hit ball for 5 1/2 innings and Jeff Bagwell had three hits and

three RBIs to help Houston snap a four-game losing streak.

Williams allowed only two hits in eight innings, a pair of two-out doubles in the sixth by Stan Javier and Brett Butler. He walked two and struck out two before giving way to Doug Jones, who allowed a single to Lenny Harris in the ninth to complete a combined three-hitter.

Williams, a 23-year-old right-hander who rose from Class A to the majors in one year, retired the first 13 batters before walking Eric Karros with one out in the fifth. Karros was erased when Dave Hansen grounded into a double play.

Giants 5, Padres 3: Kevin Bass hit a two-run homer in the 10th inning in San Diego as San Francisco ended a four-game losing streak.

Bass connected with one out off Padres reliever Randy Myers for his fourth hit of the game and third homer of the season. Mike Felder opened the 10th with a single on a 0-2 pitch from Myers.

The Giants tied it at 3 in the seventh when Chris James hit a solo homer off Padres starter Andy Benes.

Reds 12, Braves 3: Led by Chris Sabo's three-run homer, Cincinnati rocked Charlie Leibbrandt for seven runs in the first two innings and went on to drub visiting Atlanta.

SIDELINES

St. Jovite Easy Irish Derby Winner

NEWBRIDGE, Ireland (AP) — St. Jovite, the English Derby runner-up, broke the track record by three seconds at The Curragh on Sunday to win the mile-and-a-half Irish Derby.

Jockey Christy Roche, cleared to ride while awaiting an appeal against a 15-day suspension, rode the second favorite to a 12-length victory over Dr. Devious, the English Derby winner and the 4-5 favorite, with France's Contested Bid a further length behind, in 2 minutes, 25.60 seconds. St. Jovite, owned by Kentucky-based stud-owner Virginia Kraft Payson, was the first non-English horse to win the Derby in six years.

Roche's riding ban was waived by the Irish Turf Club to allow him to ride the Derby, and he punched the air in delight when crossing the finish line. Roche kept the three-year-old in the pack behind the pacemakers until five furlongs from the post, then rode it clear.

Swede Sets 50-Meter Butterfly Mark

STOCKHOLM (AP) — Jan Karlsson of Sweden set a world record of 24.33 seconds in the men's 50-meter butterfly Sunday, the national news agency TT reported.

TT said Karlsson was six hundredths of a second faster than the current record of 24.39, set in 1990 by Nils Rudolph of Germany. Karlsson, 23, became European champion at 50 meters last December, but the 50 butterfly is not an Olympic event. In Sweden's Olympic trials on Friday, Karlsson failed to qualify for the 100-meter butterfly, clocking 55.89 seconds.

Vincent-Steinbrenner Meeting Set

NEW YORK (NYT) — Commissioner Fay Vincent is scheduled to meet with George Steinbrenner on Monday as his inquiry into allegedly improper communications between the owner and the Yankees proceeds.

Vincent said that Arnold Burns, Steinbrenner's lawyer, had requested the meeting.

Manager Buck Showalter was interviewed at Yankee Stadium on Friday by Kevin Hallinan, the head of security for the commissioner's office. Showalter denied having had contact with Steinbrenner, who is barred by his agreement with the commissioner from communicating with Yankees officials.

Vincent is scheduled to meet with Steinbrenner and Burns on June 15 and that day announce his decision on the owner's request to return to an active role with the Yankees. Instead, Vincent opened an inquiry into reports from present and former Yankee employees that Steinbrenner had communicated with club officials.

For the Record

Witold Vasquez of Puerto Rico retained the World Boxing Association super bantamweight title with a decisive points victory over Freddy Cruz of the Dominican Republic on Sunday in Gorle, Italy. (Reuters)

Chris Eubank of Britain defended his World Boxing Organization super-middleweight title with an easy points victory over his American challenger, Ron Esett, on Saturday in Quinta do Lago, Portugal. (AFP)

Amoros, Series Hero In '55, Dies

Compiled by Our Staff From Dispatches
Sandy Amoros, who dashed across the Yankee Stadium outfield in Game 7 of the 1955 World Series and caught a piece of baseball immortality when he turned a deep Yankee drive into a spectacular Series-saving double play for the Brooklyn Dodgers, died Saturday in Miami of pneumonia. He was 62.

Edmundo Isasi Amoros, who was born in Havana on Jan. 30, 1930, and recruited by the Dodgers during a barnstorming tour of Cuba, finished his career with the Detroit Tigers after a midseason trade in 1960.

There were many heroes in the Dodgers' victory over the Yankees in 1955, but it was Amoros who nailed down Brooklyn's lone World Series championship with one play.

It happened in the bottom of the sixth in Game 7 at Yankee Stadium on Oct. 4, 1955. With the Dodgers clinging to a 2-0 lead, Amoros was sent in to play left field.

Then, with runners on first and second and none out, the Yankee catcher, Yogi Berra, sliced a drive down the left-field line that seemed destined to score the tying run. But Amoros streaked across the outfield and snagged the ball on the run. Then he whipped it to the shortstop, Pee Wee Reese, who relayed it to Gil Hodges, doubling Gil McDougald off first. (NYT, AP)

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Daniel Barenboim: On Top of His World

By David Stevens
International Herald Tribune
PARIS—The bad day at the Bastille is no longer even a blip on his screen. With six months to go to his 50th birthday, Daniel Barenboim looks to the naked eye like a man sitting on top of the musical world, or at least very much in charge of his musical world.



Conductor Barenboim at a rehearsal: Hitting the Berlin, Chicago, festivals road.

phony, the Berlin State Opera and Berlin Philharmonic.
All of this might seem to add up to a career at a turning point, a summing up and the preparation of a rich future. But what Barenboim sees is more like continuity.
"My relationship with the Chicago orchestra was gradual, very evolutionary, beginning with the first concert I conducted there in 1969-70," he said. So when it was suggested that he succeed Sir Georg Solti in Chicago, as he had succeeded Solti in Paris in 1975, the transition was a smooth and natural one.

"The house in Berlin was modernized and redecorated before the renovation," he said of the Staatsoper. "Those old regimes," meaning the Communist governments, "didn't spare the expense when they decided to do something like this. It's very elegant."
He has already worked with the Staatsoper's chorus, on a new recording with the Berlin Philharmonic of "Parsifal," a joint East-West project planned before the Wall came down. He intends to do three new productions a season, beginning this season with "Parsifal," with Kupfer staging; "Die Brantwahl," a little known work based on E. T. A. Hoffmann tale by the Italian-German composer-pianist Ferruccio Busoni, and a ballet program of which Maurice Béjart's choreography of Bartók's "Miraculous Mandarin" is the main event.

boim's career has taken a remarkably straight line.
As a pianist he had only one teacher, his father, a distinguished pedagogue who clearly kept a close eye on his son's education. Barenboim gave his first public recital in Buenos Aires at age 7, but his father declined when Wilhelm Furtwängler invited the 11-year-old to play with him and the Berlin Philharmonic.
The grand old musicians seem always to have spotted him. He has twice recorded all five Beethoven piano concertos, once as pianist with Otto Klemperer conducting ("granite, unyielding orchestral sound," Barenboim recalled approvingly), and once as conductor with Arthur Schnabel as soloist ("He got such full sound from the piano").
Pictures of Barenboim as a child show an almost adult-like reserve and sobriety. The almost-50 adult still does, although the shock of curly black hair is now a neatly groomed grayish cloud. Surprisingly he sees himself as not very disciplined.
"I mean that when there are things I have to do, I have to do them now, or they won't get done."

LANGUAGE
Getting the Right Wrap on 'Take'

By William Safire
WASHINGTON—On the soap opera "Santa Barbara," an irate father complains about his teenage daughter's relationship with a newspaper publisher. The publisher's girlfriend, Angela, quickly straightens the father out: "You think they were sleeping together? You have the wrong take on this situation."
I had originally filed that citation under "archaic euphemisms," because sleeping together now seems to be in the category once reserved for holding hands; the couch-potato generation, which knows more about copulation than copulative verbs and whose eyes glaze over at terms that used to be shocking, must wonder if sleeping together is some new kind of communal family value.
But it is fortunate that I squirreled that sound bite away. Take, as in "the wrong take," is roasting through the language.
As it were coincidence, U.S. News & World Report wrote during Johnny Carson's last days on the air, "that as Carson's take on Bush has grown rougher, the president's standing has shrunk."
In a New York Times review of James Brady's novel "Fashion Show," Deborah Mason wrote, "Mr. Brady again attempts a juicy insider's take on the vanities and inanities of the fashion-show-publishing axis."
In this sense, take is a noun meaning "view, understanding, perception, perspective," or in popular usage, "slant." The lexicographer Cynthia Barnhart has a 1988 citation from The Guardian on the novelist Thomas Pynchon (specifically "Pynchon's take on things"), but she suspects that the usage may be much older.
How did the functional shift from take as a verb—to grab, seize, snatch, remove—come about?
Sir Edward Nicholas, in 1654, was struck by the notion that he could use the word to mean "something that is taken or received," and nobody told him that was a functional shift: "The take off 200,000 crowns is now set," he wrote, "and the Emperor declared his present shall be apart."
Using this sense, printers in the 19th century began using the noun to mean "a portion of copy taken at one time by a compositor to be set up in type." (As I write this today, an editor who wants to sneak away early for the weekend is asking, "Can't you send us a first take so we can let the artist get to work?")
Then the use of take as a noun took off. It can mean "proceeds" ("the take from the rock concert"), "share" ("I'll don't get a bigger take, it's a cement foothold for you"), "catch" ("today's take of fish") and "response" ("don't just give me a delayed take, Cary, give me a full double take").
Although takeoff was being eclipsed by setup as slang for "parody," to be on the take is still current among gamblers, and casino operators talk about today's take; the noun retains a slightly larcenous connotation.
What accounts for its present popularity? Its Hollywood use, I think. As early as 1922, a continuous run of film was referred to as a take, and often numbered: "Take 1!" A refining of a scene or shot was "Take 2." When the director was satisfied, he would say, "That's a take."
I am inclined to end this entry with a finalizing "That's a take," but when filming or recording is

ended, the expression is "That's a wrap," on the analogy of a wrapped-up package (which is my take on wrap).
When people begin to accustom themselves to a new columnist, they say, "He found his voice."
When the legendary editor Kate Medina was displeased by a writer's chapter, she crystallized her criticism in "But it's not in your voice."
Literary criticism has become hoarse with voice; now Road & Track magazine is quoted in an automobile advertisement as saying, "This confident 'new' Audi has a distinct voice."
What's this vox, Pop? And how does this literary sense of voice differ from style?
Do not confuse this hot new voice with grammatical voice, which determines the direction of the action in a sentence. In an active voice, the subject is performing
'You think they were sleeping together? You have the wrong take on this situation.'
A soap opera
the verb's action, with the object at the receiving end: "I lit-critted John." In a passive voice, the object becomes the doer of the action: "John was lit-critted by me." Professor James D. McCawley at the University of Chicago, now writing a preface to the new edition of Otto Jespersen's "Philosophy of Grammar," writes of this grammatical sense: "I think 'voice' is a lousy term and greatly prefer Jespersen's 'turn' (the idea being that active and passive clauses are the same thing but turned around in different ways)."
Let's hear a different voice. T. S. Eliot explained the new sense in his 1933 "The Three Voices of Poetry." First was the persona, or mask-voice, that a poet adopts for a particular poem, as Robert Browning did hiding behind the Duke in "My Last Duchess." Second was the familiar stylistic voice of the poet, as in the rousing fil of Kipling, that causes the reader to say, "That's Kipling, all right." Third was the archetypal voice, supposedly using the poet as a medium in a trance.
That second voice—the distinctive mode of expression, the expected quicker and trademark tone, the characteristic attitude of writer toward reader and subject—has taken over as the meaning of voice in writing today. Hemingway had a voice: spare, selective, easily parodied because readily identifiable.
This is not necessarily the natural voice of the writer; for example, I knock myself out in these language pieces to adopt a scholarly breeziness, respectfully flip and deliciously tedious—a darning-off voice far different from my march-over-the-cliff, calumnious polemics on the op-ed page. Voice is not essence, but is essential to separate the writer from the pack. (That sentence is in a didactic, op-ed voice, and has no place in this light and airy space.)
The meaning of voice overlaps style, but is different from that familiar term. The playwright Sam Shepard told an interviewer: "Style is the outer trappings... But a voice is almost without words... It's something in the spaces, in between."
New York Times Service

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Printed in France, 73 rue de l'Évangile, 75018 Paris. Includes a logo for 'MAGASIN ALAMI' and contact information for the classified department.

A Surge of Power for Hainan Electricity Assured for Huge Industrial Park

By Laurence Zuckerman
International Herald Tribune

HONG KONG — An international consortium announced on Monday plans to invest 2 billion Hong Kong dollars (\$257 million) to build a power plant in China's first privately funded free port and industrial park, giving a boost to the project.

Kumagai Gumi (Hong Kong) Ltd., leading the development of the 30-square-kilometer (11.4-square-mile) free economic zone at Yangpu, will be joined in the joint venture by Siemens AG of Germany, Maeda Corp. of Japan and Ringo Trading Ltd., a subsidiary of Beijing's China International Trust & Investment Corp.

The site lies on the northern tip of Hainan Island, which lies between Hong Kong and Vietnam in the South China Sea.

Siemens, which has a 20 percent interest in the venture, will supply the generating equipment and transmission and distribution network for the oil-fired plant.

Maeda and Kumagai Gumi, holding 20 percent and 30 percent respectively, will perform the civil engineering and construction. Ringo, which also holds 30 percent interest, will help oversee the entire project, according to a statement released by the consortium.

Wilhelm Gattinger, managing director of the Siemens office in Hong Kong, said the station's first phase would generate 450 megawatts, ultimately reaching a capacity of 1,300 megawatts in two additional phases over 10 years.

That would require at least an additional 4 billion Hong Kong dollars investment, according to R.W. Brooks, a consultant to Siemens.

Mr. Gattinger and C.P. Yu, deputy chairman and managing director of Kumagai Gumi, said the station was critical to attracting investors in the ambitious development, which is expected to cost \$2.3 billion over the next 15 years, making it China's single largest foreign investment project, according to Kumagai.

Kumagai Gumi (Japan), a subsidiary of the Japanese construction giant Kumagai Gumi Co., received approval for the development from Beijing's State Council last March, four years after first proposing the idea.

In exchange for 140 million Hong Kong dollars, Kumagai Gumi has the right to develop and market the land in the special zone for 70 years.

To manufacturers who move into the zone, Beijing also extended generous tax concessions and waived most of the import and export tariffs as well as China's often strict labor laws.

Kumagai said the project eventually would employ 350,000. Currently, however, Yangpu is an underdeveloped rural area inhabited by fishermen and farmers.

Kumagai is in the process of forming a consortium of multinational corporations to bankroll Yangpu Development Co., which will then sign a contract with Beijing for the right to sublease and mortgage the land in the zone.

The company also will finance construction of sewers, roads, telecommunications, residential housing and other infrastructure necessary to make the zone, which will be a customs territory separate from the rest of the island, into a modern industrial city.

But before potential investors would commit to the development company, Mr. Yu said, they wanted to be sure that the zone would have an independent source of electricity.

Three consortiums have submitted proposals and we are currently studying them," said Ali Abdul Hassan Sulaiman, director-general of the Economic Planning Unit. "The local companies, which have some foreign interests, are keen to generate electricity by building their own facilities."

He refused to name the companies. "It is still a little early for anything definite as the proposals are under consideration," he said after taking part in a national conference in Kuala Lumpur on privatization and forming corporations.

Mr. Ali said at the conference that Malaysia was also looking at the possibility of privatizing 57 other enterprises. Airports and the Malay Railway may be turned into corporations in August as a first step, he said.

Other projects include the national sewerage system, water supplies in the states of Selangor and Penang and the Federal Territory of Labuan Island off Sabah in Borneo and government polytechnics," he added.

Since 1983, Malaysia has privatized 52 enterprises, including a shipping line, an airline, a telecommunications company, a television station and highways as part of a drive to reduce public spending.

Hitachi's Debt Rating Is Lowered

Compiled by Our Staff From Dispatches

TOKYO — Moody's Investors Service on Monday downgraded the long-term ratings of Hitachi Ltd., Japan's biggest maker of electrical machinery, to Aa2 from Aaa.

"The downgrade reflects the recent decline in the company's debt-protection measurements, resulting from the world recession and fundamental weaknesses in Hitachi's information systems and electronic operations," Moody's said.

It said chips and other computer products would be "hampered by excess industry capacity in semiconductors and slackening mainframe computer demand" while consumer goods suffered from "market saturation and the lack of major new products."

About \$4.3 billion of debt was affected. Analysts said Hitachi's conservative management strategy, which has made it more wary of overseas alliances than some of its Japanese rivals, means it could suffer more if the domestic economic recovery is sluggish. *(Reuters, AFP)*

Thai Airways Is Subject Of Corruption Inquiry

Agence France-Press

BANGKOK — Thailand's government has ordered an investigation into allegations of corruption and dubious deals for millions of dollars at Thai Airways International, officials said Monday.

The probe is potentially explosive because the national carrier is headed by Thailand's supreme military commander, Air Chief Marshal Kaset Rojananil.

The investigation covers allegations of massive irregularities such as overpayments in real estate deals, suspicious purchases, sales of airplanes and equipment and kickbacks to allow a private airline to operate the profitable route to Pimom Peak, the officials said.

The inquiry was ordered by the transport and communications minister, Nukul Frachuabmoh.

Earlier this month, when Mr. Nukul joined Prime Minister Anand Panyarachum's administration, he said that he wanted to reduce the traditional military control over major state enterprises.

Last week, Mr. Nukul removed Air Chief Marshal Anan Kaitina as chairman of the Communications Authority of Thailand.

Marshal Anan, who is one of the most powerful figures in the armed forces, was replaced by Chavitt Thanasachana, also a former governor of the Bank of Thailand. Marshal Anan served as interior minister in the now dissolved military-backed administration of Suchinda Kraprayoon.

The dismissal of Marshal Anan as head of the Communications Authority was based on Thai laws forbidding anyone to concurrently hold a ministerial post and the chairmanship of a state board.

Mr. Nukul also ordered a review of several communications projects approved under Marshal Anan, including the laying of a \$4 billion fiber-optic cable between Thailand and Malaysia.

The airline inquiry deals with allegations against management over seven questionable deals, officials said.

They include the purchase of land in Bangkok for which the airline allegedly paid 200 million baht (\$8 million) more than the offering price. Another issue under investigation is the purchase of Rolls-Royce engines for new Boeing 737 aircraft, which may result in excessive maintenance and other costs because the airline normally uses engines made by General Electric Co. and Pratt & Whitney.

The investigators will also look into the airline's sale of six Short aircraft to a private airline for 98 million baht despite an offer by another airline of 115 million baht.

Skills and profitability, have lobbied the government to regulate the activities of the foreign banks.

Separately, the government said Monday that inflation has eased and the trade deficit has narrowed so far this year.

The Economic Planning Board said consumer prices rose a moderate 3.8 percent in the first half, down from 6.2 percent in the year-earlier period.

In June, consumer prices rose 0.2 percent, the smallest monthly increase this year.

The Bank of Korea said the trade deficit for the first five months of the year narrowed to \$2.86 billion from \$4.87 billion a year earlier.



Very briefly: Peugeot SA will not be included in a project to produce Malaysia's second national car despite its reported interest, according to the managing director of United Motor Works, Abdul Rashid Abdullah.

Goodman Fielder Waste Ltd. said it will float the whole of its Watfie Foods Ltd. unit in New Zealand, to generate an expected 330 million Australian dollars (\$261 million), and will buy the Unilever food business for 330 million Australian dollars in cash and stock.

Taipei Business Bank said it has received Chinese government permission to open a branch in China, the first by a Taiwanese bank.

A Taiwan Tobacco & Wine Monopoly Bureau official said Taiwan is to open its market to imported spirits on Sept. 1, but the spirits will be subject to an import duty of at least 500 Taiwan dollars (\$20 per liter).

Dickson Concepts (International) Ltd. said net profit after minority interests and before one-time items in the year ended March 31 totaled 281.9 million Hong Kong dollars (\$36.1 million), up 26.6 percent from 222.6 million dollars a year earlier.

Mansion Holdings of Hong Kong said its public offer of 50.6 million new shares was 78 times oversubscribed.

Korea First Bank said South Korea and Vietnam will establish a joint venture bank capitalized at \$10 million next month in Vietnam.

Vietnam has closed hundreds of businesses set up by government agencies, Communist party organizations and the army pending their reorganization as independent companies.

Suzuki Motor Corp. has raised its stake in Maruti Udyog Ltd., a joint venture with the Indian government, to 50 percent from 40 percent; the additional stake cost 593.1 million rupees (\$19.8 million).

Japan's five regional stock exchanges will each set up a secondary stock market with easier listing requirements.

Seoul Eases Controls on Foreign Banks

The Associated Press

SEOUL — The South Korean government on Monday announced a set of measures aimed at easing trade frictions by phasing out controls on foreign financial firms.

The Ministry of Finance said South Korea was accepting U.S. demands for eased controls on foreign banks' activities in South Korea.

Limits on the amount of foreign currency brought in by overseas banks will be increased sharply in September, helping them raise more funds in local currency by selling the foreign currency.

As a result, the ministry predicted, an additional \$700 million worth of foreign currency would be imported by foreign banks within

about a month after the regulation takes effect.

Foreign banks have long complained that tight government controls on foreign exchange transactions have kept them from raising much-needed funds in the South Korean won.

In addition, beginning next year, the number of items that can be imported on credit will be expanded sharply, the ministry added. This will allow foreign companies to greatly expand their exports, it said.

Foreign banks also will be allowed to set up 24-hour automatic teller machines in South Korea, beginning in July 1993.

South Korean commercial banks, lagging in management

Malaysia Considers End To Monopoly in Energy

KUALA LUMPUR — Malaysia is considering licensing private companies to generate and distribute electricity, which would end the monopoly of Tenaga Nasional and lead to competitive pricing, officials said Monday.

Three consortiums have submitted proposals and we are currently studying them," said Ali Abdul Hassan Sulaiman, director-general of the Economic Planning Unit. "The local companies, which have some foreign interests, are keen to generate electricity by building their own facilities."

He refused to name the companies. "It is still a little early for anything definite as the proposals are under consideration," he said after taking part in a national conference in Kuala Lumpur on privatization and forming corporations.

Mr. Ali said at the conference that Malaysia was also looking at the possibility of privatizing 57 other enterprises. Airports and the Malay Railway may be turned into corporations in August as a first step, he said.

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Since 1983, Malaysia has privatized 52 enterprises, including a shipping line, an airline, a telecommunications company, a television station and highways as part of a drive to reduce public spending.

Table with 3 columns: Fund Name, Symbol, and Price. Includes various international and domestic equity, bond, and money market funds.

Table with 3 columns: Fund Name, Symbol, and Price. Includes a wide variety of international equity and bond funds.

Table with 3 columns: Fund Name, Symbol, and Price. Includes international equity, bond, and specialty funds.

Table with 3 columns: Fund Name, Symbol, and Price. Includes international equity, bond, and specialty funds.

SPORTS TRACK



Katrin Krabbe arriving in Berlin Monday after she was cleared.

Dismay Over Krabbe Ruling

And Surprise Over Carl Lewis's Failure in the Sprints

Compiled by Our Staff From Dispatches

LONDON — The International Amateur Athletic Federation reacted with embarrassment Monday as it emerged that Katrin Krabbe, the German sprinter, had escaped a four-year ban because of a technical gap in her national track and field body's drug test rules.

Meantime, expressions of dismay began to arise from Krabbe's fellow athletes and figures in Germany's sports establishment over the IAAF decision on Sunday.

Krabbe, a double world champion, and two of her former East German team mates avoided a ban from competition for manipulating doping tests taken at a training camp in South Africa because the constitution of the German federation, or DLV, does not provide for testing other than in competitions. The decision clears Krabbe, 22, to run in the Barcelona Olympics.

"I just say that it's horrible," Gwyn Torrence, the world 100- and 200-meter silver medalist, said after winning the 200 meters at the U.S. trials in New Orleans. "She's not a clean athlete. Something happened and she got off."

Torrence said that she would not be surprised if Krabbe decides not to run at Barcelona. "She knows she can't compete with us without drugs," Torrence said. "We're going to kick her butt."

Hans Evers, head of the German sports federation, said the decision was a disaster. "We now have the

alternative of stopping dope tests or making major changes to tighten up the system," he said.

But Professor Werner Franke, doping expert at Heidelberg University, was pessimistic about that. He said: "The question of doping was not investigated, just the responsibility question. Sport has been corrupt for a century and it will remain corrupt because it's not ready to reform itself from within."

An IAAF lawyer, Mark Gay, said Monday. "We will request an urgent explanation" from the German federation "and ask them to amend their constitution." Noting the German federation's protest that its rules did allow such drug testing, Gay pointed out that under IAAF regulations the rules had to be incorporated in a member federation's constitution.

An IAAF arbitration panel decided on Sunday that the DLV's own legal commission had been right to overturn a four-year ban imposed by the DLV.

But the question of guilt was not even considered by the panel, in what has become the biggest doping scandal to hit track and field since Canadian sprinter Ben Johnson tested positive for steroids.

Krabbe has been assured by German officials that her name will go forward in the sprint relay squad when the Olympic team is named on Tuesday. But she has just 12 days to rediscover her form to ensure a place in the individual sprints. (Reuters, LAT)

By Michael Janofsky
New York Times Service

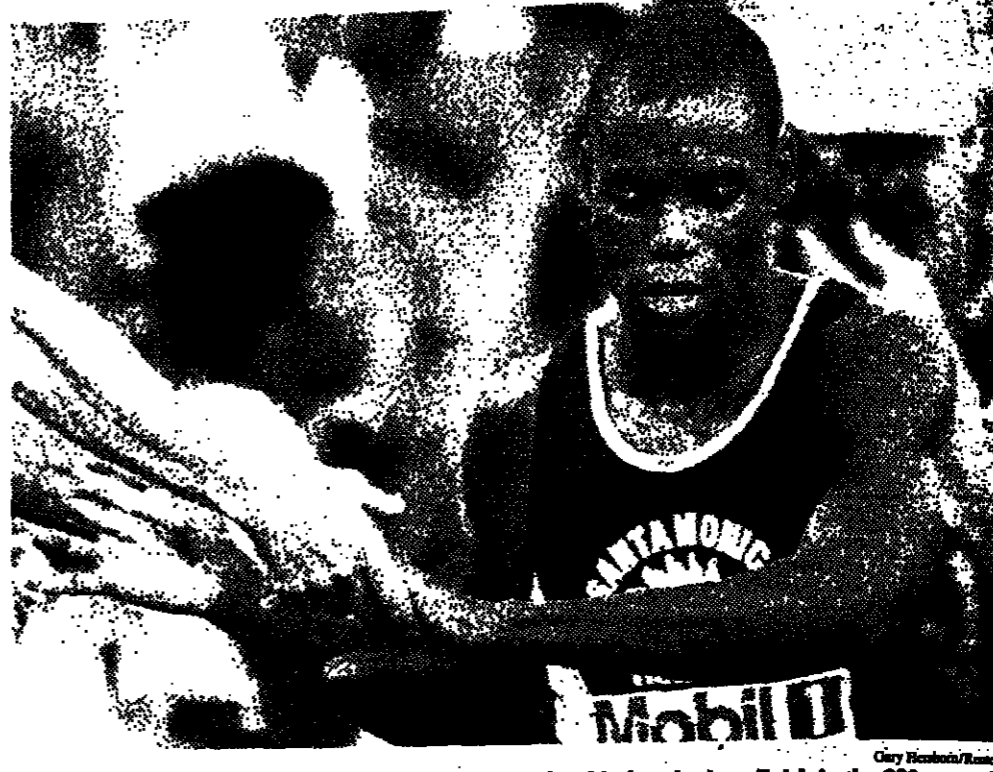
NEW ORLEANS — It was unimaginable enough that Carl Lewis failed to make the U.S. Olympic team in the 100 meters last week, as he finished sixth in an event in which he is the world-record holder.

Now the brain is asked to factor in his failure in the 200, a distance at which he shares the American record with the second-fastest time ever run.

It was almost sad to watch Sunday's concluding race of the Olympic trials, as Lewis leaned across the line hoping his chest would catch the photo-timer before someone else's did. Michael Johnson, the world's best at the distance the last two years, had already crossed in 19.79, a meet record, followed by Mike Marsh in 19.86 seconds.

But Lewis was edged by Michael Bates, who was such a good wide receiver at Arizona State that the Seattle Seahawks drafted him in the sixth round last year. Now he may be known as a pretty good 200-meter runner, too, having beaten a six-time Olympic gold medalist, 20.14 to 20.15.

But many unusual and unexpected things happened at this meet. First, there was Lewis slugging in the 100, just hours before Butch Reynolds got permission to run in the 400 from the U.S. Supreme Court. Then Dan O'Brien, the world's best decathlete, forgot



Carl Lewis taking fans' commiserating handshakes after his fourth-place finish in the 200 meters.

how to pole vault and finished 11th.

Now this, Lewis, who some people think is the greatest U.S. Olympian ever, has made his third Olympic team only as a long jumper. And he didn't even win that event, finishing second here to Mike Powell.

"People are going to do what they want to do," said Lewis, who will turn 31 on Wednesday. "Some people will write me off. Some will say I had a bad day. A lot of things

will be said. All I can say is I made the team in the long jump, and I'm going to focus on the positive."

Lewis was one of five U.S. gold medalists from the 1991 world championships who failed to make the Olympic team in the same event. The others were O'Brien in the decathlon, Antonio Pettigrew in the 400, Kenny Harrison in the triple jump and Greg Foster in the 110-meter hurdles.

Roger Kingdom, the Olympic champion in 1984 and 1988 in the

110-hurdles, fell in the final Sunday and did not finish.

The trials system for team selection has been in effect since 1920, although staging the competition at a single site began only in 1968.

In nearly every other country, athletes are chosen with some degree of discretion by officials, or assigned team positions by previous performance.

In another country, Lewis might not have had to compete in trials.

Daley Thompson Gets A Decathlon Reprieve

Reuters

LONDON — Britain's track and field selectors broke their own rules on Monday when they gave world decathlon record holder Daley Thompson a final chance to qualify for next month's Barcelona Olympics.

Thompson, 33, who has not completed a decathlon for four years, was selected in a 99-strong team provided he reaches the qualifying standard before July 10.

The selection panel had said nobody would be given extra time to qualify after the weekend's trials in Birmingham. There, David Bigham became the only Briton this year to beat the Olympic qualifying standard, which is 7,850 points.

But a British Athletics Board spokesman, Tony Ward, said on Monday: "We've made a special exception for a special man. We think we owe it to him."

A delighted Thompson, the 1980 and 1984 Olympic champion, said the chance was more than he could have hoped for.

"I am very ring rusty but my fitness is very good and I am going

to be looking around for a decathlon to do in the next 12 days," he said.

Thompson, who set his world record of 8,847 points at the 1984 Los Angeles Games, must still pass 7,850 to qualify.

A Quaky Start for Some, and a Shaky but Successful Finish for Old Charlie Hough

The Associated Press

While the Los Angeles Dodgers could take the shaking in stride, the Houston Astros found a double earthquake a little harder to handle.

"These things are no fun. I'll tell you that," said manager Art Howe, who also

experienced a quake at the 1989 World Series at Candlestick Park. "And being in a hotel room up on the ninth floor isn't any fun, either."

A day that began with a jolt ended with the Astros losing 8-2, and glad to be leaving Los Angeles.

Sunday's powerful earthquake came just before 5 A.M. Sunday. As soon as it hit, the Astros were out of bed and in the lobby of the Los Angeles Hilton.

Publicity director Rob Matwick saw outfielder Gerald Young run out of the hotel without bothering to dress. Howe dozed some coffee, went back upstairs and tried to fall asleep. About three hours later, a strong aftershock struck.

"Plaster fell down from the ceiling, the wallpaper separated and the floor looked like it was starting to come apart slightly," Howe said. "I said, 'That's enough. I'm outta here.'"

"I was panicking, but it's part of California," said pitcher Bob Ojeda, a Cali-

fornia native. At the ballpark later, Ojeda got his first victory in his past six games.

Padres 7, Giants 3: In San Diego, Fred McGriff and Tim Lincecum each hit two-run singles for the Padres.

Cardinals 3, Mets 2: In St. Louis, Gerald Perry's two-out, bases-loaded single off John Franco in the 11th inning lifted St. Louis over New York.

Reds 6, Braves 5: In Cincinnati, Chris Sabo drove in three runs

as the White Sox defeated the Yankees, 6-3, Sunday night in Yankee Stadium.

While Thigpen and left-hander Scott Radinsky put the finishing touches on Hough's 199th career victory, New York's bullpen gave up two runs in the ninth to seal the defeat for Melido Perez.

Robin Ventura homered for the third straight game, in the first inning, and the White Sox increased the lead to 4-0 in the fifth, the key blow being George Bell's two-run double.

Twins 10, Athletics 2: Kirby Puckett and Greg Gagne homered during a 10-run fourth inning and Minnesota tied Oakland for first place in the AL West.

Martinez and Jay Buhner hit two-run homers that chased Bert Blyleven in the first inning and Seattle went out to rout California.

These games appeared in some editions of Monday's International Herald Tribune.

Rangers 8, Tigers 4: In Detroit, Nolan Ryan won for the first time in 14 starts since last September, pitching seven shut-out innings to lead Texas over Detroit.

Indians 7, Blue Jays 6: In Cleveland, Paul Sorrento hit the Indians' first pinch-homer since last July 25, connecting for a two-run shot in the eighth inning.

Reds 9, Orioles 2: In Baltimore, Kevin Kosloski got three hits and drove in a run in his major league debut.

Marlins 9, Angels 2: In Seattle, Edgar

CHESS

By Robert Byrne

IN the Schweizerische Kreditanstalt-Mephisto Tournament, which began in Munich in early May, the 35-year-old American grandmaster Larry Christiansen reverted, in Round 7, to the speculative gambit style for which he is best known in defeating Gerald Hertneck, the most recent German to achieve grandmaster rank.

For many years it was believed that 6 Nf4 was useless in this main line of the Slav Defense since Black could get an equal game after 6...Be7 7 e4 e5. It was Gary Kasparov who showed, in a 1988 game in Reykjavik against Mikhail Tal, that 7 e3 e5 8 Be4 produces a battle of complex possibilities. Hertneck let Christiansen have the bishop-pair with 6...Bg6 7 Ng5 hg to get a solid position after 8 e3 e6.

At the first opportunity, Christiansen ventured on a pawn sacrifice with 12 Nc2? to live up to the game. On 12...Qe4 13 e4, Hertneck could not retreat with 13...Be7 because 14 Bc2 would threaten 15 Nb4, trapping the queen.

After 14 Nb4, the white rook was immune. 14...Qc7 permits 15 Nc2 and a trap of the black queen by 16 Bc3.

Whether 15...Ne4 was the best defense is difficult to decide, but Hertneck had a point in mind: 16 Be6! fe 17 Qe4 Kf7 did damage the black pawn formation, but it reduced material and left Christiansen with the least effective bishop.

It was evident from Christiansen's

breaking off the repetition of position at moves 24-26 that he was out to win.

His 27 Bf6! gf only temporarily patched up the black pawn structure - after 28 Qg4 Kf7 29 Re6! he defied Hertneck to play 29...Qe6 30 Rb7 Qe7 31 Re7 Ke7 32 Qg6, which would yield White queen plus two pawns for two rooks and play against the slightly disorganized black position.

Hertneck aimed to simplify further with 30...Rd6, but Christiansen put a stop to that with 31 d5!, the stratagem being that on 31...cd, White unpleasantly snakes into the black position with 32 Rf6! Kf6 33 Qd4 Kf7 34 Qh8.

Hertneck avoided that with 31...Rd5, but then Christiansen's 32 Qe4! was powerful. Hertneck could not play 32...Re5? because of 33 Rf6!, winning outright.

His plan with 34...Rd1 35 Kh2 may have been to trade queens with 35...Qd6, but he only noticed in the last moment that Christiansen had readied 36 f4! Qb4 37 R/3-e6 mate.

After 35...Qd4, Christiansen smashed through with 36 R7e6 Kg5 (36...Kg7 37 Qe7 Kh6 38 Rg3 Rg8 39 Qe5 is annihilating) 37 Qe7 Kh5 38 g4! After 38...fg (38...Kh6 39 Qh4 Kg7 40 Re7 is no better) 39 R/3e5, Hertneck gave up because even giving up his queen with 39...Qe5 does not stop 40 Re5 Kh6 41 Qh4 Kg7 42 Re7 Kf8 43 Qf6.

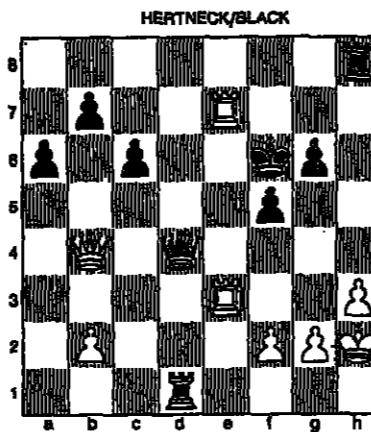


Table with chess notation: SLAV DEFENSE, White Christ'n, Black Hertneck, Position after 35...Qd4, and a list of moves and pieces.

BOOKS

THE RICHEST GIRL IN THE WORLD: The Extravagant Life and Fast Times of Doris Duke

By Stephanie Mansfield. 368 pages. \$26.95. G.P. Putnam's Sons, 200 Madison Avenue, New York, New York 10016

Reviewed by Peter Collier

IF George Bernard Shaw had known Doris Duke, he might have changed his famous statement about youth to ask instead why it is that money has to be wasted on the rich. But Duke doesn't even seem to have had much fun. She has bought herself estates and airplanes, husbands and lovers, but hers has been at best a tranquilized hedonism, a life that has generated little fire, and no light.

These are the conclusions one reluctantly draws from "The Richest Girl in the World," Stephanie Mansfield's energetic biography of the woman whose few close friends call her Dorshka.

From a slightly different perspective, the book might have been called "Up in Smoke" since the most interesting part of the saga that deadends in Doris comes at the beginning, when her grandfather, a Confederate soldier named Washington Duke, returned to North Carolina from the wars, penniless and defeated. His place has been navigated, but the marauding Yankees had missed some tobacco stored in the out-house and, with the help of his two young sons, Buck and Ben, he packed it in muslin bags and marketed it under the label Pro Bono Publico.

It was his son Buck who eventually made the Dukes rulers of the tobacco world by forming American Tobacco Co., which by the turn of the century was selling over 90 percent of the cigarettes smoked in the United States.

Buck Duke was an uncouth man with tunnel vision who collected art he didn't understand and built mansions he didn't take time to enjoy. The only thing he loved was his daughter Doris, who was born in 1912.

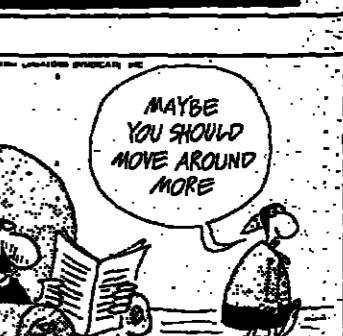
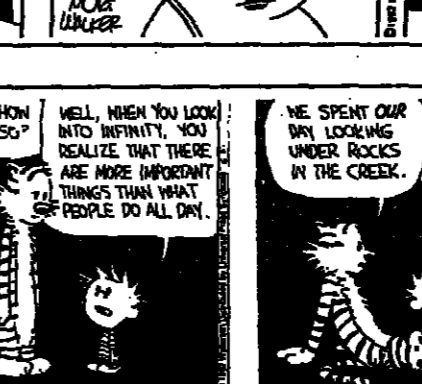
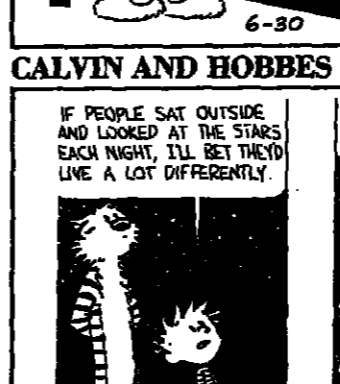
A solemn, homesy child, Doris began life as Buck Duke's Million Dollar Baby. When she was 12, her father died, and even worse, left her his sole heir with a fortune estimated as high as \$500 million.

Growing up tall and gawky, Dorshka was as ambivalent toward her money as she was toward the men who would spend the next six decades trying to get it from her.

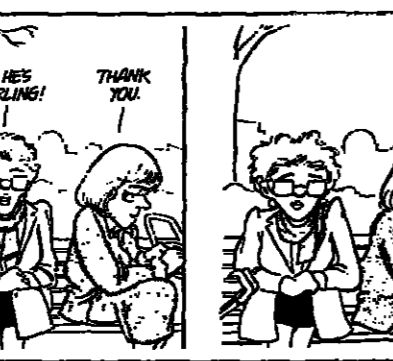
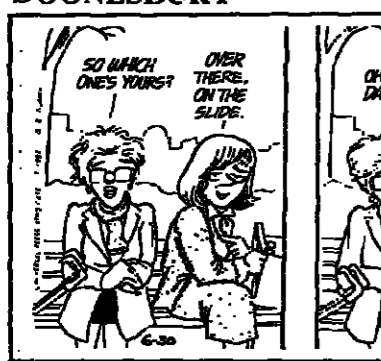
The book has lasting images. One of them is of the aged Doris sitting in a daze in her living room watching her two pet camels dropping dung on the priceless Oriental carpets. There is something Egyptian about this woman, not only in the camels but in all the skin work that has left her mummified and in the way her splendid residences resemble gilded sarcophagi prepared for the long journey ahead. Doris Duke is also every biographer's nightmare—a Sphinx, who, if she has a riddle, knows how to keep it to herself.

Peter Collier, the author, with David Horowitz, of "The Kennedys: An American Drama" and "The Ford: An American Epic," wrote this for The Washington Post.

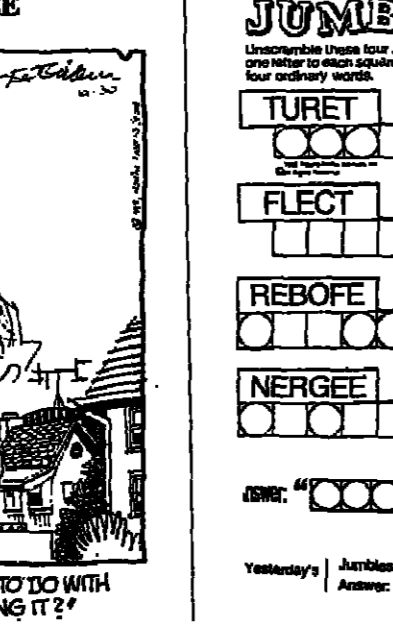
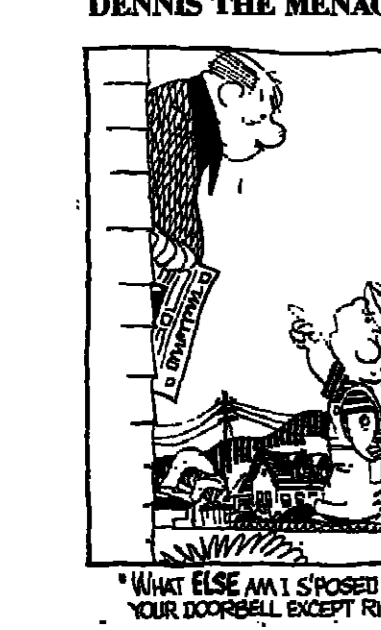
PEANUTS



DOONESBURY



DENNIS THE MENACE



مركز من الأمل

مخاض الرجل

SPORTS TENNIS

For a Moment, Jeremy Bates Held the Match in His Hand

By Ian Thomsen

WIMBLEDON, England — He always bounces the ball twice, at least twice. Two bounces as the hips begin to sway, as the rhythm develops. The fingers of his right hand were squeezing and then releasing from his racket, as if softly depressing the keys of a piano. While he developed a rhythm. Thirteen thousand people impacting the silence of their stares upon him and only him. They were waiting to gush all over him.

In all his 30 years Jeremy Bates had never been here before, on the verge of such a finish line. Everything he ever has wanted was held in his left hand.

"He tossed the ball in the air. 'You let the ball drop,' a reporter said to him an hour later. 'Was it just the light in your eyes, or were you disturbed?'"

"I let the ball drop?" Jeremy Bates said.

It was match point. Jeremy Bates, the first Englishman in 10 years to advance to the final 16 at Wimbledon, was now within a point of the quarterfinals. John McEnroe was waiting for him there. Certainly that match would be played on Center Court, like this one. Bates owns a house one mile from Wimbledon, but he had never been invited to play singles on Center Court before. The ball was orbiting above him, yellow and distant, a million miles beyond.

"On match point," the reporter said. "Your serve. You walked away."

"Somebody sneezed, I think," Jeremy Bates said. "Or somebody did something on the side, just as I was throwing the ball up. Because it was so quiet, you could hear a pin drop. Just as I was in the motion I heard somebody sneeze from the side."

He was a symbol of the sad state of British tennis when this tournament began eight days ago. Ranked No. 113 in the world, he was scheduled against Michael Chang, the No. 7 seed. The fans who so treasure their seats at the world's greatest tennis tournament never are allowed to cheer very long for one of their own. The truth is that the British don't care much for tennis



Jeremy Bates during his hard-fought match with Guy Forget, won by the Frenchman, 6-7 (12-10), 6-4, 3-6, 7-6 (7-2), 6-3.

except during these two weeks every year. It would not be unreasonable to suspect that Bates had come to look upon Wimbledon with a sense of dread.

But then he came out attacking in his opening match, figuring he had nothing more to lose, while Chang to Bates's surprise, stayed back. He upset Chang in three sets. Then he beat Javier Sanchez, ranked No. 32. On Saturday he wasted a two-set lead, then, somehow, won the final set to get past Thierry Champion, No. 50. One morning he woke up and it struck him that he had become a national hero. He walked outside of his house and found a tabloid photographer waiting for him, to follow him around — to the

McEnroe Advances, Lend Out With Injury

The Associated Press

WIMBLEDON, England — John McEnroe, mixing power and finesse, swept past Andrei Olhovskiy in straight sets Monday to reach the Wimbledon quarterfinals.

McEnroe posted a 7-5, 6-3, 7-6 (12-10) victory over the Russian qualifier, who upset top-seeded Jim Courier in the third round Saturday.

On a scorching day, McEnroe displayed the form — and temper — that characterized his glory days in the early 1980s when he won Wimbledon three times.

The match ended with a thrilling tiebreaker in which Olhovskiy saved four match points and McEnroe fended off one set point.

When McEnroe finally ended the match with a service winner, he threw up his arms in triumph, screamed "Yeah!" and blew kisses to the crowd.

"It's a great run," said McEnroe, who will next play ninth-seeded Guy Forget of France. It's the first time in three years that McEnroe has reached the quarterfinals.



John McEnroe during the victory over Andrei Olhovskiy that put him in Wimbledon's quarterfinals.

McEnroe appeared upright from the beginning. Angry at fans making noise during his serve, he shouted, "Shut up!"

After one of Olhovskiy's serves was ruled an ace in the seventh game, McEnroe protested to chair umpire Sultan Gangji: "How many mistakes are you going to make before we change [officials]?"

Two games later, after failing to convert a break point, McEnroe screamed and hurled his racket into the rolled-up tarpaulin on the side of the court. He tossed his racket several more times, but never received a warning.

Goran Ivanisevic, No. 8, advanced when No. 10 Ivan Lendl was forced to quit with a recurring back injury with the Croatian leading 6-7 (7-9), 6-1, 6-4, 1-0. An official statement said Lendl had a stiff back and suffered "a sharp pain" at 2-1 in the third set. "From then on he could not move properly any more," it said.

Britain's hopes were dashed when Jeremy Bates, the first Briton to reach the round of 16 in 10 years, squandered a match point in the fourth set and lost to Forget 6-7 (16-12), 6-4, 3-6, 7-6 (7-2), 6-3.

Second-seeded Stefan Edberg lost his first set of the tournament but prevailed 6-3, 6-4, 6-7 (1-7), 6-3 over Swedish qualifier Henrik Holm.

Defending champion Michael Stich, the third seed, recovered after to defeat Australia's Wally Masur 3-6, 6-1, 6-4, 6-4.

Among the women, top-seeded Monica Seles led the way into the quarterfinals with a 6-4, 6-2 victory over Gigi Fernandez. Seles will next face Nathalie Tauziat of France, who cruised past Amy Frazier 6-0, 6-3.

Steffi Graf, the No. 2 seed, came from behind for the second straight match to down Patty Fendick 4-6, 6-3, 6-3.

Nine-time champion Martina Navratilova, the third seed, downed Yayuk Basuki of Indonesia 7-5, 6-2.

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Magic Johnson, right, and Michael Jordan during the U.S. team's 79-point shellacking of Cuba.

'Dream Team' a World-Class Nightmare

By Michael Wilbon

Washington Post Service

PORTLAND, Oregon — You knew Cuba was in trouble when three minutes before game time, in their best broken English, they begged the Dream Team to come to center court to take a group photo. Smile now, take an elbow from Larry Bird in a minute.

A U.S. journalist, perhaps trying to toss a crumb their way, asked the Cuban coach if the team was tired from playing only 14 hours earlier. Miguel Calderon Gomez let go with a little chuckle. "In Cuba, there is a saying," he said. "You can't cover the sun with your finger."

Seventy-nine points. There will be teams in the upcoming Olympics worse than Cuba. By a mile.

Paradise me for crying out on a limb, but it looks like the U.S. Olympic men's basketball team might just be favored a smidge heading into Barcelona. Oops — Chuck Daly wouldn't want me looking past Monday night's second-round Tournament of the Americas game against Canada. What with Patrick Ewing out, Big Bill Wennington might be a handoff. No, you cannot blot the sun with your finger. Cuba would have needed a solar eclipse

to get within, say, 30. Maybe this learning experience will be good for Cuba's program. Charles Barkley, for one, didn't spend a whole lot of time on the scouting report. "I didn't see them on ESPN too many times during the regular season," Barkley said. "I only know one guy they got, the big scruffy dude with the cigar in his mouth."

El Presidente apparently didn't make the trip, saving himself the pain of watching the Dreams make 80 percent of their shots the second half of the 136-57 frolic.

Bird went seven for eight, including the first two. "I wanted the first two," he said, "so if I didn't score any more in the tournament at least I'd have two points." Huh? Sir Charles was seven for 11. Mr. Robinson, four for five. Magic made his only shot. Stockton was 1 for 1. Rippen three for four. Mullin four for six. Clyde eight for nine. Lastner three for four. Mullin four for seven.

If you like competition, it was a snoozer. But if you'd longed to see the best in the world play together, unselfishly, and mean it, then it was your dream too.

Starters: Bird and Barkley at forward, David Robinson at center, Michael Jordan and Magic Johnson at guard. Years from now, when peo-

ple remember this historically, it will be like baseball's 1933 All-Star Game, the inaugural, when the American League trotted out Tony Lazzeri, Joe Cronin, Babe Ruth, Lou Gehrig and Jimmy Foxx. But they all struck out.

The mere introductions Sunday gave you goosebumps. Clyde Drexler, the local hero, got the loudest ovation, but Johnson got the warmest.

To watch him again, even in 21 disjointed minutes, is to be reminded that nobody ever did what he does. Off the dribble, off the rebound, in the open floor, he had nine assists in all. Nobody has ever made the game more fun.

Johnson was so excited, he ran on the floor to be introduced before his turn. For the first time since the 1991 NBA finals against Chicago, he would play for keeps, elbowing and shoving and leaning. "I was up at about 5:30 this morning," he said, "just waiting to get back into a competitive atmosphere."

In 40 minutes, the Dreams made 48 field goals and recorded assists on 41 of them. This will not be the exception; this is what the Olympics will look like.

"I know there's no such thing as perfect," Gomez, the Cuban coach, said. "But this is the closest thing we'll ever see."

SCOREBOARD

BASEBALL

Table with Major League Standings and National League Standings. Columns include Team, W, L, Pct., GB.

Sunday's Line Scores

Table with American League and National League line scores. Columns include Team, Score, Innings.

TENNIS

Table with Wimbledon results. Columns include Match, Score.

BASKETBALL

Table with Olympic Qualifying Games. Columns include Team, W, L, Pct., PF, PA, FT, FT%, REB, STL, BLK, PTS.

BASEBALL

Table with American League and National League game results. Columns include Team, Score, Innings.

FOOTBALL

Table with National Football League game results. Columns include Team, Score, Innings.

HOCKEY

Table with National Hockey League game results. Columns include Team, Score, Innings.

Large advertisement for AT&T USADirect service, featuring the slogan 'FEELING OUT OF IT?' and 'AT&T USADirect Service can get you back to the office in seconds.' Includes a grid of international phone numbers.

ART BUCHWALD

Back to Skule, Dan

WASHINGTON — It now appears that Dan Quayle may not play the role that the Republican campaign committee had worked out for him.



Buchwald

"Quayle protested to the president that he was being punished unfairly because he couldn't spell potato in a school classroom."

Paderewski Returns: A Wish Fulfilled

WARSAW — Fifty-one years after his death, the remains of the pianist and statesman Ignace Jan Paderewski returned from the United States to his homeland Monday, fulfilling his wish to be buried in a free Poland.

heartbeat away from the presidency, and you have to be able to spell 'budget deficit' if you are going to lead the country."

"I can do it. The only word I'm never sure how to spell is Mississippi, so I'll just ignore the state when I'm in the Oval Office. Please don't make me attend summer school, Mr. President. I was planning to go to golf camp and improve my game."

"Dan, you caused a firestorm with the 'potato' blunder. Every cartoonist and writer is having a ball with it, and the administration is being ridiculed by stand-up comics on cable television. The only way we can put out the flames is to confront your problem head on. We plan to announce that you're going to summer school to find out what is really wrong with the U.S. educational system. You will be my eyes and ears in PS 35 while you quietly learn how to spell."

"It's not fair," Quayle said. "I have a law degree, but no one ever asked us to spell 'potato' to pass the bar exam. I'll bet Ross Perot and Bill Clinton can't spell it."

"Dan, maybe I'll ask them that in our first debate. In the meantime I think that it's politically wise for you to enroll in a remedial education class. The White House chef will make you peanut butter-and-jelly sandwiches for lunch every morning."

Quayle was crestfallen. "It all started with Murphy Brown. If I hadn't attacked her, the press would never have jumped on me for misspelling one lousy word."

"The problem is not just one word. The public now has a perception that this administration is illiterate. Every school kid in America knows how to spell potato. As a role model you should be able to do the same."

"But, Mr. President, don't you see that it's all political? Clinton and Perot are using my ignorance to get back at you. The liberals would love nothing more than for me to go to school now so that I can't attack them."

"I am the Education President, and I have to take action on this situation. What do you suggest?"

Steve Lacy: Life After the 'Genius Grant'

By Mike Zwerin

PARIS — "I don't think it's going to turn my head," said Steve Lacy, inclining his head downwards and looking up in his sly bemused way.

Eleven is his lucky number. On June 11, America's leading jazz exile received an out-of-the-blue telephone call from the MacArthur Foundation in Chicago with news of a \$340,000 fellowship. You cannot apply for these grants, you are not informed of nomination, you do not know who nominated or voted for you, they are for past achievement, no future projects are required. They are popularly known as "Genius Grants."

"Genius is not something you are," Lacy continued. "It's something that you may possess. I just want to take care of my gift and keep it cool." His mentor Thelonious Monk defined a genius as "the one who is most like himself."

He has no intention of changing. Lacy's lifestyle is level-headed, low-key, take care of business, humanist, cultivated, music-first: "Music remains just as difficult as it was. Money won't make me play in time. If I get off the road, there go my chops. If I stop working my butt off, what'll I do with my butt?"

In an age of facile clones, he is one of the last jazzmen with a unmistakable signature sound. To hear one of his warm centered notes on the soprano saxophone is not only to identify but to know the man. How can he be so intellectual and physical, clear and opaque at the same time? How can so much variety and depth come out of one thin straight horn?



With ballets in his drawer, saxophonist Lacy says he thrives on variety.

it's a kind of shared thing and I don't want to lose it."

His secret ended because the music is challenging and fun and because he split the money generously. "It's nice to have an outside subsidy," He cuddled his cat Sally in his duplex in the upscale Marais. "The History of the World" by J. M. Roberts ("The whole story, a thousand pages") was on the table beside him: "I wasn't exactly broke before the grant, but I'm used to subsidizing myself. I'll take less to keep the band working. You have to pump money into a firm that needs capital. Until now, the only way I could get it was from my own income, things like solo concerts and commissions."

His orchestral sound is based as much on the people who play it as the notes

themselves. Like Ellington and Mingus, casing is compositional. Personnel consists of Irene Aebi, vocals and violin; Bob Faw, piano; Jean-Jacques Avenel, bass; John Bitch, drums and the saxophonist Steve Potts. Two saxophones play Lacy's melodies a half-tone apart and Potts once told me that he's become so accustomed to minor seconds that he has trouble hearing a unison any more. After Lacy, we have trouble hearing anything as it was before. The music is slightly rumbled not around the edges but right down the middle — apparent disorder raised to the level of a statement of style. It can be compared to a pair of new prefaded jeans with holes in the knees, or to designer five o'clock stubble. That may be misleading, the sound is smart more than fashionable. This custom-made

existential stuff is not for everyone. The dissonance is always related, sometimes at a great distance, to consonance, irony plays a big role in the textures, the ever-present swing can be fearlessly ambiguous.

As usual, the Steve Lacy Sextet is not on the bill of one single major European festival this summer. He has never played one, "only a few nice sweet little ones. It hurts, it does. Everybody seems to work them but us. Part of the problem might be that I haven't been able to find an agent. Like Ornette [Coleman] said, 'agents are either useless or ruthless.' So I still answer the phone myself. I don't call, I answer."

Ten years ago he wrote the ballet "Landing," dedicated to and inspired by the composer Henry Cowell, for the Paris Opera. But the opera musicians "wanted a pile of money just to look at the music. There were commitments for a theater, dancers and musicians, so we shelved the whole thing and did another ballet called 'Cycles' I happened to have in my drawer."

He did not see the humor when I laughed: "How many musicians do you suppose just happen to have an extra ballet in a drawer? Perhaps it is not so funny to him because he has so many projects in drawers or on the drawing board at all times, and it has been so difficult to move them out. 'Landing' will be performed in New York, Paris and Berlin this fall.

Recent recordings include the sextet "Live at Sweet Basil" (Novus) and "Spirit of Mingus" (Freelance), a duo with the pianist and Charles Ives specialist Eric Watson. Hat Art records has just recorded "Clangs," a work for 12-piece band. Lacy's three musical settings of poems by Kenneth White featuring the bass singer Nicholas Isherwood, Watson and himself are being recorded this week by Radio France.

"Sands," a Samuel Beckett trilogy, and a "Naked Lunch" ballet called "Sunt" have yet to be recorded (they have been performed back-to-back as "Brackets" in France and Italy). "Hanky Panky," his portrait of Monk, will be previewed in Switzerland, Aug. 29. He'll work on "Findings," a book about the soprano saxophone, this summer. The singer Abbey Lincoln hired him for four nights later this year. "Futurities" (recorded on Hat Art), "an apple-pie all-American show about love and marriage" based on poems by Robert Creeley, has yet to be produced in the United States. Isherwood and Watson are preparing a song cycle called "Lacy's Lieder."

"I thrive on variety," he said. "Radio, recording, ballet, chorale, songs, sextet, duo, solo — change 'em up, the whole shebang. This week, I'm playing for the vernissage of an exhibition of photographs by Hart Leroy Bibbs in a *tabac* on the Rue du Bac. Never played in a *tabac* before."

PEOPLE

Bush Denounces Lyrics Of Ice-T's 'Cop Killer'

Rap seems to be the campaign issue of the month. President George Bush denounced as "sick" rap singer Ice-T's lyrics in the recording "Cop Killer," which Bush said glorifies the killing of police officers. Bush was speaking at a ribbon-cutting for the new New York office of the Drug Enforcement Administration. He did not mention the rap singer or Time Warner Inc., which markets the recording, by name.

Stephen King's horror novel "It" has met with a new and violent end: Suspicious police officers in Bangor, Maine, blew up the book, mistaking a parcel delivered to King's home for a bomb. The grateful author thanked the police for "killing" the book.

On the royal marriage watch: Princess Diana shrugged off a security scare after details of her Northern Ireland visit leaked out, and toured Belfast's bomb-ravaged center on Monday. Earlier, her husband, Prince Charles, showed signs of strain as he shouted at an unruly derring a charity polo game. "Why don't you give it to him occasionally... bloody hell!" In London, meanwhile, The Sunday Times quoted a relative of the prince as saying: "Charles has told me that divorce is not out of court as it was, say, one year ago." Other papers suggested that Diana wants a formal separation by the end of the year but that Charles is resisting the idea.

Interview magazine is going under wraps for its July issue — to conceal the cover showing actress Drew Barrymore stretched out nude on a lawn next to a male companion and a dog, with the title, "Splendor in the Grass." "Our newstand consultants said we could have problems with it in certain parts of the country," said a spokeswoman.

He came, he saw, he did a moonwalk. Then Michael Jackson put a rocket pack on his back and flew off stage after kicking off his worldwide "Dangerous" tour. In Munich, Jackson has 10 more German appearances and then will play at open-air stadiums across Europe.

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